

CITY OF FRESNO

FRESNO CITY EMPLOYEES HEALTH AND WELFARE TRUST PLAN BOOKLET

JULY 1, 2011

This is your Plan Booklet

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IMPORTANT INFORMATION AND CONTACT NUMBERS

Binding Information: As a courtesy to you, the Trust's Administration Office (HealthComp Administrators.) may respond informally to oral questions. However, oral information and answers are not binding upon the Fresno City Employees Health and Welfare Trust and cannot be relied on in any dispute concerning your benefits. Binding information may be obtained only through written request to HealthComp Administrators. HealthComp Administrators is the only entity authorized to provide information about the Plan. Any statements by any other individual, whether a trustee, union officer, employer, or representative of same, are unauthorized and may not be relied upon.

TRUST ADMINISTRATION OFFICE

HealthComp Administrators

(559) 499-2450

(800) 442-7247

MANAGED CARE VENDORS

Blue Shield of California

Hospital and Physician Provider Network and Medical Management

To locate a provider – (800) 810-BLUE (2583)

Website: www.blueshieldca.com

Medical Management Blue Shield of CA – (800) 343-1691

For and out of state provider, BlueCard Eligibility – (800) 676-BLUE (2583)

informedRx

informedRx Prescription Drug Card - (800) 777-0074

Website: www.informedrx.com

informedRx Mail Home Delivery – (800) 881-1966

informedRx Ascend Specialty Pharmacy – (800) 850-9122

Psy-Care

Mental Health and Substance Abuse Care Network

(559) 261-9050

Website: Not available -- call Psy-Care for approval of all in or outpatient mental health and/or substance abuse treatment.

Pacific Union Dental (PUD) (parent company is United Healthcare Dental Company)

Dental HMO Plan

(877) 816-3596

Website: www.myuhcdental.com

Delta Dental of California

Dental PPO Plan

(800) 765-6003

Website: www.WeKeepYouSmiling.com

ChiroMetrics

Chiropractic Network

(559) 447-3375

Website: www.chirometricsinc.com

Failure to pre-certify certain medical services outlined on pages 5-7 may result in a reduction of your benefits. Failure to use the Plan's PPO network will result in a reduction in your benefits because your claim will be processed as Non-Network Provider. NOTE: This Plan limits coverage for Pre-Existing Conditions - See Page 53.

WHAT TO DO IF YOU NEED MEDICAL CARE

Please read your Plan Book and familiarize yourself with the benefits provided through the Fresno City Employees Health and Welfare Trust. The Table of Contents is designed to help you find information quickly and assist you in understanding the Plan's benefits, provisions, and eligibility. Becoming familiar with your Plan prior to accessing health care services will assist you in receiving maximum benefits payable under the Plan.

As a quick reference, should you require Medical Care follow the procedures outlined below:

EMERGENCY – Inpatient or Outpatient

The Plan pays at Network Provider benefits for Hospital and Medical services.

1. Call Patient's Primary Care Physician or 911 as appropriate, OR
2. Go directly to emergency room, outpatient clinic or similar provider for needed service.

If you are admitted to the Hospital as an Inpatient -- On the next business day, someone **MUST CALL** either of the following numbers to obtain certification.

Blue Shield (800) 343-1691

OR

Psy-Care (559) 261-9050

If ongoing care (follow-up visit) is required, you may be required to obtain certification for certain Non-Emergency services (see pages 5-7). Failure to pre-certify medically necessary services that require pre-certification may result in a reduction of your benefits by up to 50%.

NON-EMERGENCY

The Plan pays Hospital and Medical services, as outlined on pages 13 through 18, based upon whether a Network or Non-Network Provider is used. Plan Benefits will be greater if a Network Provider is used.

1. **Routine Outpatient Medical Services should be obtained from your Primary Care Physician. You may use Blue Shield Specialists for some outpatient services without obtaining pre-certification. Specialist pre-certification is still required for certain medical services.**

While emergency responses are available if needed, normally you should allow 72 hours for certification.

2. **Inpatient and certain Outpatient Hospital Services require pre-certification (laboratory and radiology services do not require Pre-Certification, except as noted above).**
3. **In order to receive benefits for the following services, please refer to the applicable page numbers noted below:**
 - a. **Chiropractic** – please refer to page 20
 - b. **Mental Health** – call Psy-Care for routine Mental Health Care – **(559) 261-9050** – please refer to page 19
 - c. **Dental** – please refer to pages 36-42
 - d. Benefits paid for routine Obstetric/Gynecological exams, and Pap smears apply toward the routine Annual Physical Exam.

PROCEDURES TO SAVE YOU MONEY

The information contained on pages 2 through 7, and the Questions and Answers outlined on pages 8 and 9, is provided to help you understand and receive maximum benefits payable under the Plan. It is important that you take a moment to review them since there will be changes in Employee Contribution Rates and Benefits, effective July 1, 2011, as outlined below.

EMPLOYEE CONTRIBUTIONS

EFFECTIVE July 1, 2011

Effective July 1, 2011, the rate required for full medical, prescription drug and dental coverage will increase to \$985 per month for all Active employees. Retired participants may have a different rate. The Trust Fund receives a contribution from the City of Fresno for each eligible employee. The City's contribution is 80% of the Trust's rate, or \$788 per month, for each eligible employee. In order to receive full benefits, all Active employees will be required to contribute the remaining 20%, or \$197 per month, by payroll deduction. **Once you elect to contribute and receive full benefits, your selection will be binding and remain in force until you submit a Payroll Deduction Authorization Form declining to make the contribution. However, election changes may only be made once per year during open enrollment except in the case of a qualifying event.**

Those Active employees who do not complete and return a Payroll Deduction Authorization Form indicating an election to make the \$197 per month Employee Contribution will not receive full benefits. **If the Trust Fund receives only the City's contribution of \$788, a 25% reduction will be applied to all Fund payments for benefits. The percentage reduction will be made in addition to and AFTER all other Trust Fund benefit calculations are made.**

PLEASE NOTE THAT IF AN EMPLOYEE DOES NOT ELECT TO MAKE THE NECESSARY MONTHLY EMPLOYEE CONTRIBUTION, OR FAILS TO COMPLETE THE PAYROLL DEDUCTION AUTHORIZATION FORM, THIS MAY RESULT IN A SUBSTANTIAL PATIENT LIABILITY FOR MEDICAL SERVICES. Please refer to examples of Plan benefit reductions and patient liability starting on Page 64 of this Plan Booklet.

PREFERRED PROVIDER ORGANIZATION

You can find a current listing of Blue Shield Shared of California Providers at www.blueshieldca.com

Your Plan is designed to give you control of your own health care. Members have freedom of choice in choosing the Hospital and Physician they wish to use. However, the Plan offers considerable financial advantage to you if the provider has contracted with Blue Shield of California and is used.

Your Plan has established a network of participating Hospitals and Physicians called Network Providers. **Please review the Schedule of Benefits contained herein in order to understand the benefits paid to Network and Non-Network Providers.** Network Providers are located throughout the area. Use of this network will result in lowered health care cost for Participants and lower costs for the Plan, which results in lower costs or improved benefits for all. There are savings in several ways:

1. Control of charges for Hospital care;
2. Predetermined maximum allowable charges.

HOW TO USE THE PLAN

To take full advantage of the cost-saving features of the Plan, you'll need to carefully read and fully understand this explanation of how the Plan works. The Summary of Benefits will show you how your claims are paid according to the Hospital and Physician you use.

SPECIAL TERMS

Network Providers have a Participation Agreement in effect with Blue Shield of California at the time services are rendered. They agree to a payment rate which has been negotiated on behalf of the Plan. The Covered Individual will have no additional charges from the Network Provider for covered benefits other than the co-payment and deductible specified in the Summary of Benefits. **You can also find a current listing of Blue Shield Network Providers at www.blueshieldca.com.** If there is any question regarding the status of any Hospital or Physician or their participation with Blue Shield of California, Blue Shield should be contacted at (800) 810-BLUE (2583) prior to obtaining services.

The amount of the allowable charge differs according to the type of provider and circumstances:

1. When referring to a Network Provider, the allowable charge under the Plan is the rate at which the Network Provider has contracted to accept as payment in full for covered services.
2. When referring to Non-Network Providers or types of providers not classified as Network or Non-Network, the allowable charge is the fee, which is the Usual and Customary Charge.

MANDATORY COST CONTAINMENT REQUIREMENTS

The cost containment requirements of this Plan are not intended to reduce in any way the benefit under the Plan, but are designed to maintain those benefits, assist the patient in making more informed decisions and establish a procedure to eliminate unnecessary costs.

The programs do not restrict choice of Physician, Hospital or other medical provider nor are they applicable when a medical emergency exists.

Benefits will be reduced if Blue Shield determines the patient or the patient's Physician failed to follow the required procedure or the patient entered the Hospital earlier than required for medical necessity (none of the cost of that day's hospitalization will be covered).

FAILURE TO PRE-CERTIFY MEDICALLY NECESSARY SERVICES THAT REQUIRE PRE-CERTIFICATION MAY RESULT IN A REDUCTION OF YOUR BENEFITS BY UP TO 50%.

BLUE SHIELD OF CALIFORNIA PREFERRED PROVIDERS

This Plan encourages you to use Blue Shield of California Preferred Providers. Preferred Providers include certain Physicians, Hospitals, Alternate Care Services Providers, and Other Providers. Preferred Providers are listed in the Preferred Provider directories. All Blue Shield of California Physician Members are Blue Shield of California Preferred Providers. So are selected Hospitals in your community.

To determine whether a provider is a Preferred Provider, verify this information by accessing Blue Shield's Internet site located at <http://www.blueshieldca.com>. Please note that a Preferred Provider's status may change. It is your obligation to verify whether the Physician, Hospital or Alternate Care Services provider you choose is a Preferred Provider.

Blue Shield of California Preferred Providers agree to accept Blue Shield of California's payment, plus your payment of any applicable deductibles, Copayments, or amounts in excess of Benefit maximums, as payment-in-full for covered Services. This is not true of Non-Preferred Providers. You are not responsible to Participating and Preferred Providers for payment for covered Services, except for the deductibles, Copayments, and amounts in excess of specified Benefit maximums.

If you go to a Non-Preferred Provider, The Plan's payment for a Service by that Non-Preferred Provider may be substantially less than the amount billed. You are responsible for the difference between the amount the Plan pays and the amount billed by Non-Preferred Providers. It is therefore to your advantage to obtain medical and Hospital Services from Preferred Providers.

Blue Shield of California, an independent member of the Blue Shield Association, provides administrative claims payment services only and does not assume any financial risk or obligation with respect to claims.

THE BLUECARD PROGRAM

When you access a provider outside of California or the United States, you simply show your ID with Blue Shield logo. The card includes the members ID number and the account's three digit alpha prefix. This prefix and number combination helps route and process the claim. The ID card also includes 800#'s for the member to locate BlueCard providers and for providers to verify member eligibility and benefits

To locate a BlueCard provider, you can call the BlueCard 800# on the back of their ID card, or access the Doctor Hospital Finder online at www.blueshieldca.com. However, you are not obligated to access covered services through a BlueCard provider, but are encouraged to do so as it will lower your share of cost.

Covered Services received from a provider who has contracted with the local Blue Cross Blue Shield plan are paid at the network benefit level. Covered Services received from providers who have not contracted with the local Blue Cross Blue Shield plan are paid at the out of network benefit levels. To receive the maximum benefits of your plan, please follow the procedure below.

When you require covered Services while traveling outside of California:

1. Call BlueCard Access® at 1-800-810-BLUE (2583) to locate Physicians and Hospitals that participate with the local Blue Cross Blue Shield plan;
2. Visit the Participating Physician or Hospital and present your membership card. The Participating Physician or Hospital will verify your eligibility and coverage information by calling BlueCard Eligibility at 1-800-676-BLUE (2583).
3. Prior authorization is required for all Inpatient Hospital Services and notification is required for Inpatient Emergency Services. Prior authorization is required for selected Inpatient and Outpatient Services, supplies and Durable Medical equipment. To receive Prior authorization review from Blue Shield of California, the out-of-area provider should call 1-800-343-1691.

If you need Emergency Services, you should seek immediate care from the nearest medical facility.

BLUE SHIELD PRE-CERTIFICATION REQUIREMENTS

Blue Shield's pre-certification for certain treatment and procedures DOES NOT APPROVE or DENY BENEFIT payments. Benefit payments are based on Eligibility and the Schedule of Benefits payable under the Plan at the time of service, and are subject to all Limitations and Exclusions in addition to these pre-certification requirements. Pre-certification does not determine treatment. The decision or choice of treatment is made by the patient and the patient's health care provider.

FAILURE TO PRE-CERTIFY MEDICALLY NECESSARY SERVICES THAT REQUIRE PRE-CERTIFICATION MAY RESULT IN A REDUCTION OF YOUR BENEFITS BY UP TO 50%.

Should you need assistance or information regarding available services, call the Blue Shield Medical Management at (800) 343-1691.

REMINDER: Mental Health services require authorization by Psy-Care.

BENEFITS MANAGEMENT PROGRAM

The Plan has contracted with Blue Shield and the Benefits Management Program to assist you, your Dependents or provider in identifying the most appropriate and cost-effective course of treatment for which Benefits will be provided under this health Plan and for determining whether the services are Medically Necessary. However, you, your Dependents and provider make the final decision concerning treatment. The Benefits Management Program includes pre-certification review for certain services; preadmission review (except for emergency admissions), emergency admission notification, Hospital Inpatient review; discharge planning; and case management if determined to be applicable and appropriate by Blue Shield.

Your benefits may be reduced for either not contacting Blue Shield or not following Blue Shield's recommendations or may result in non-payment if Blue Shield determines the service was not medically necessary. Please read the following sections thoroughly so you understand your responsibilities in reference to the Benefits Management Program. Remember that all provisions of the Benefits Management Program also apply to your Dependents. Blue Shield requires pre-certification for selected Inpatient and Outpatient services, supplies and Durable Medical Equipment; all home health care, home infusion/home injectable services, and PKU related formulas and Special Food Products; admission into an approved Hospice Program; and certain radiology procedures. Preadmission review is required for all Inpatient Hospital and Skilled Nursing Facility services.

By obtaining pre-certification for certain services or preadmission review prior to receiving services, you and your provider can verify if Blue Shield considers the proposed treatment Medically Necessary and if the proposed setting is the most appropriate as determined by Blue Shield. You and your provider may be informed about Services that could be performed on an Outpatient basis in a Hospital or Outpatient Facility.

PRE-CERTIFICATION

Before services are provided, you or your provider can determine whether a procedure or treatment program is covered and may also receive a recommendation for an alternative Service. Failure to contact Blue Shield as described below or failure to follow the recommendations of Blue Shield for these services will result in a reduced benefit or may result in non-payment if Blue Shield determines that the service is not a covered Service.

The plan requires pre-certification from Blue Shield for the following services:

1. **Select injectable drugs administered in the physician office setting.** Prior certification is based on Medical Necessity, appropriateness of therapy, or when effective alternatives are available. NOTE: Your Preferred or Non-Preferred Physician must obtain prior authorization for select injectable drugs administered in the physician's office. Failure to obtain prior authorization or to follow the recommendations of Blue Shield for select injectable drugs may result in non-payment by the Plan if the service is determined not to be a covered Service; in that event you may be financially responsible for services rendered by a Non-Preferred Physician.
2. **Home Health Care, Home Infusion/Injectable Care and PKU related formulas and Special Food Products.**
3. **Admission into an approved Hospice Program as specified under Hospice Program Services in the Covered Services section.**
4. **Clinical Trial for Cancer.** Persons who have been accepted into an approved clinical trial for cancer as defined under the Covered Services section must obtain prior authorization from Blue Shield in order for the routine patient care delivered in a clinical trial to be covered.
5. **Durable Medical Equipment**, including but not limited to motorized wheelchairs, insulin, infusion pumps, and CPAP (Continuous Positive Air Pressure) machines.
6. **Surgery which may be considered to be Cosmetic in nature rather than Reconstructive (e.g., eyelid surgery, rhinoplasty, abdominoplasty, or breast reduction) and those Reconstructive Surgeries which may result in only minimal improvement in function or appearance.** The Reconstructive Surgery Benefit is limited to Medically Necessary surgeries and procedures.
7. **Arthroscopic surgery of the temporomandibular joint (TMJ).**
8. **Dialysis Services.**
9. **Hospital and Skilled Nursing Facility admissions** (see the subsequent Hospital and Skilled Nursing Facility Admissions section for more information).
10. **Other services and procedures as determined by BlueShield.** A list of services and procedures requiring prior authorization can be obtained by your provider by going to www.blueshieldca.com or by calling 1-800-343-1691.

HOSPITAL AND SKILLED NURSING FACILITY ADMISSIONS

Pre-Certification must be obtained from Blue Shield for all Hospital and Skilled Nursing Facility admissions (except for admissions required for Emergency Services). Included are Hospitalizations for continuing Inpatient Rehabilitation and skilled nursing care, transplants, bariatric surgery, and Inpatient Mental Health or substance abuse Services described later in this section.

Pre-Certification for Other than Mental Health or Substance Abuse Admissions

Whenever a Hospital or Skilled Nursing Facility admission is recommended by your Physician, you or your Physician must contact Blue Shield at 1-800-343-1691 at least 5 business days prior to the admission. However, in case of an admission for Emergency Services, Blue Shield should receive Emergency Admission Notification within 24 hours or by the end of the first business day following the admission, or as soon as it is reasonably possible to do so. Blue Shield will review the medical information provided and may recommend that to obtain the full Benefits of this health Plan that the Services be performed on an Outpatient basis. *Examples* of procedures that may be recommended to be performed on an Outpatient basis if medical conditions do not indicate Inpatient care include:

1. Biopsy of lymph node, deep axillary;
2. Hernia repair, inguinal;
3. Esophagogastroduodenoscopy with biopsy;
4. Excision of ganglion;
5. Repair of tendon;
6. Heart catheterization;
7. Diagnostic bronchoscopy;
8. Creation of arterial venous shunts (for hemodialysis).

Failure to contact Blue Shield as described or failure to follow the recommendations of Blue Shield will result in reduction or non-payment if Blue Shield determines that the admission is not a covered Service.

HOSPITAL INPATIENT REVIEW

Blue Shield monitors Inpatient stays. The stay may be extended or reduced as warranted by your condition, except in situations of maternity admissions for which the length is 48 hours or less for a normal, vaginal delivery or 96 hours or less for a Cesarean section unless the attending Physician, in consultation with the mother, determines a shorter Hospital length of stay is adequate. Also, for mastectomies or mastectomies with lymph node dissections, the length of Hospital stays will be determined solely by your Physician in consultation with you. When a determination is made that the Person no longer requires the level of care available only in an Acute Care Hospital, written notification is given to you and your Doctor of Medicine. You will be responsible for any Hospital charges Incurred beyond 24 hours of receipt of notification.

DISCHARGE PLANNING

Further care at home or in another facility is appropriate following discharge from the Hospital, Blue Shield will work with the Physician and Hospital discharge planners to determine whether benefits are available under this Plan to cover such care.

CASE MANAGEMENT

The Benefits Management Program may also include case management, which provides assistance in making the most efficient use of Plan Benefits. Individual case management may also arrange for alternative care benefits in place of prolonged or repeated hospitalizations, when it is determined to be appropriate through a Blue Shield review. Such alternative care benefits will be available only by mutual consent of all parties and, if approved, will not exceed the Benefit to which you would otherwise have been entitled under this Plan. The Plan is not obligated to provide the same or similar alternative care benefits to any other person in any other instance. The approval of alternative benefits will be for a specific period of time and will not be construed as a waiver of the Plan's right to thereafter administer this health Plan in strict accordance with its express terms.

PRE-CERTIFICATION AND NETWORK PROVIDER QUESTIONS AND ANSWERS

Q What Is Pre-Certification?

Pre-certification is a requirement in which specified services, in order to have maximum coverage under the Plan, must be approved in advance. Nurses and Physicians conduct medical review. A pre-certification review is initiated by contacting Blue Shield Medical Management at (800) 343-1691. As stated on page 5 of this Plan Booklet, pre-certification review does not determine eligibility for Plan Benefits – for example, obtaining pre-certification approval does not assure coverage, and failure to obtain pre-certification approval does not necessarily mean the Plan will deny coverage for the services. Plan benefits are determined by following the claim procedures set forth on page 56 of this Plan Booklet. Plan benefits are payable in accordance with the Schedule of Benefits and the terms of this Plan Booklet. All treatment decisions remain between the patient and the patients' health care provider.

PLEASE READ THE MEDICAL PRE-CERTIFICATION PROCEDURES ON PAGES 5 THROUGH 7.

Q What is a Primary Care Physician?

A Physician who practices in one of the following areas: family practice, general practice, internal medicine, obstetric/gynecology, and pediatrics.

Q What if I need help in locating or choosing a Primary Care Physician?

You may call Blue Shield for assistance at (800) 810- BLUE (2583). **You can also find a current listing of Blue Shield of California Network Providers at www.blueshieldca.com.**

Q Do I need to select a Blue Shield Shared of California Network Provider Primary Care Physician?

No, but to ensure a coordinated approach to your healthcare, selection of a Blue Shield of California Network Provider Primary Care Physician is recommended.

Q What if my gynecologist is not my Primary Care Physician?

Up to two routine gynecological visits per year are covered without pre-certification even though the provider is not the patient's Primary Care Physician. For maximum benefit coverage, the gynecologist should be a Network Provider.

Q What is a "Network Provider"?

A Network Provider in the Plan is a Physician, Hospital or other health care provider, which has entered into a participation agreement with Blue Shield of California.

- Q What is the “Blue Shield Contract Rate”?**
The Blue Shield Contract Rate is the rate at which a Network Provider has contracted to accept payment in full for covered services.
- Q Do I need to visit my Primary Care Physician prior to seeing a specialist?**
Not necessarily. Please refer to pages 5 through 7 to determine what services require pre-certification effective July 1, 2011.
- Q What if the Doctor refers to a Non-Network laboratory or radiology service?**
If necessary, you should remind your Doctor of the contracting labs and radiology services. If your Doctor feels that Non-Network Providers are needed for your care, Blue Shield may pre-certify if medically indicated based on the particular situation.
- Q What if I am temporarily out of state or not within distance of Network Providers?**
If emergency care is needed, see emergency services provisions in this Plan. If not an emergency, you must obtain prior authorization.
- Q What if I have questions about specific coverage provisions, deductibles, claims payment, eligibility, or other such matters?**
Contact HealthComp Administrators at either (559) 499-2450 or (800) 442-7247 for answers to these questions.

DEFINITIONS

As used in this Plan, the following terms shall have the meanings specified below:

“Benefits” means those services and supplies that are covered under the terms of the Plan.

“Chiropractic Care” means services for correction by normal or mechanical means of structure unbalance or subluxation in the human body for purposes of removing nerve interference and the effects thereof, where such interference is the result of or related to distortion, misalignment or subluxation in the vertebral column.

“Co-Payment” is the amount you pay toward the cost of your care (your out-of-pocket expenses) in addition to your deductible.

“Covered Charges” are the lesser of the Usual and Customary Charges or the negotiated rates payable to preferred providers incurred by an eligible person for the Medically Necessary treatment of conditions covered under the Plan.

“Covered Person” means a covered employee, a covered retiree or a covered dependent.

“Custodial Care” means care that provides a level of routine maintenance for the purpose of meeting personal needs and assisting with the activities of daily living. It is care that can be provided by a lay person who does not have professional qualifications, skills or training. Custodial Care includes, but is not limited to: help in walking and getting into or out of bed, a chair or a wheelchair; help in bathing, dressing, and eating (whether from a receptacle [such as a plate or cup] or by feeding tube or intravenously); help in other functions of daily living of a similar nature; administration of or help in using or applying medications, creams and ointments; routine administration of medical gasses after a regimen of therapy has been set up; routine care of a patient, including functions such as changes of dressings; diapers and protective sheets and periodic turning and positioning in bed; routine care and maintenance in connection with casts, braces and other similar devices, or other equipment and supplies use in treatment of a patient, such as colostomy and ileostomy bags and indwelling catheters; routine tracheotomy care; general supervision of exercise programs including carrying out of maintenance programs of repetitive exercises that do not need the skills of a therapist and are not skilled rehabilitation services.

“Deductible” is the amount you pay before the Plan pays benefits. Charges not considered Covered Charges may not be used to satisfy the deductible.

“Dentist” means a duly licensed Doctor of Dental Surgery (D.D.S.) or Doctor of Medical Dentistry (D.M.D.) legally entitled to practice dentistry at the time and place services are performed.

“Doctor, Physician, or Surgeon” is a person acting within the scope of his license and holding the degree of Doctor of Medicine (M.D.), Doctor of Osteopathy (D.O.M.), Doctor of Dental Surgery (DDS), Doctor of Podiatry (D.P.M.), Doctor of Optometry (D.O.), Psychologist (Ph.D.), Doctor of Chiropractic Medicine (D.C.) and is not a person who is related to the Covered Individual by blood, marriage or law as well as any person who resides in the same house.

“E.O.B.” means Explanation of Benefits. The form explains how your bill was processed and should be saved for tax purposes and other future reference.

“Emergency” means a sudden onset of a condition requiring immediate treatment such as a heart attack, poisoning, and loss of consciousness or convulsions.

“Experimental” as it applies to experimental or investigational services. This includes:

1. care, procedure, treatment protocol or technology which:
 - a. is not widely accepted as safe, effective and appropriate for the injury or sickness throughout the recognized medical profession and established medical societies in the United States; or
 - b. is experimental, in the research or has not been proved by statistically significant randomized clinical trials to establish increased survival or improvement in the quality of life over other conventional therapies.
2. drugs, test, and technology which:
 - a. the Food and Drug Administration has not approved for general use;
 - b. are considered experimental;
 - c. are for investigational use; or
 - d. are approved for a specific medical condition but applied to another condition.

“Hospice” means a facility that provides a Hospice Care Program and operates in accordance with the laws of the jurisdiction where it is located. It operates as a unit or program that only admits terminally ill patients. It is separate from any other facility but may be affiliated with a Hospital, nursing home or home health care agency.

“Hospital” means an institution which is engaged primarily in providing medical care and treatment of a sick and injured person on an in-patient basis at the patient's expense and which fully meets these tests: it is accredited as a Hospital by the Joint Commission on Accreditation of Healthcare Organizations; it is approved by Medicare as a Hospital; it maintains diagnostic and therapeutic facilities on the premises for surgical and medical diagnosis and treatment of sick and injured persons by or under the supervision of a staff of Physicians; it continuously provides, on the premises, 24-hour-a-day nursing services by or under the supervision of Registered Nurses (RNs); and it is operated continuously with organized facilities for operative surgery on the premises.

The definition of “Hospital” shall be expanded to include the following:

1. A facility operating legally as a psychiatric Hospital or residential treatment facility for mental health and licensed as such by the state in which the facility operates.
2. A facility operating primarily for the treatment of substance abuse if it meets these tests: maintains permanent and full-time facilities for bed care and full-time confinement of at least 15 resident patients; has a Physician in regular attendance; continuously provides 24-hour-a-day nursing services by a Registered Nurse (R.N.); has a full-time psychiatrist or psychologist on the staff; and is primarily engaged in providing diagnostic and therapeutic services and facilities for treatment of substance abuse.

“Medically Necessary (or medical necessity)” means services or supplies which are:

1. appropriate and necessary for the symptoms, diagnosis or direct care and treatment of the medical condition,
2. within standards of good medical practice within the organized medical community,
3. which are not educational or experimental in nature,
4. which are not provided primarily for medical or other research,

5. which are not primarily for the convenience of the patient or provider, and
6. are determined by the Plan to be the most appropriate level of service and type of facility in which the patient receives care.

“Network Provider” means a Doctor, Hospital, urgent care center, laboratory or x-ray facility rendering services at reduced rates in accordance with the agreement between Blue Shield and Fresno City Employees Health and Welfare Trust.

“Participant” means an employee or retiree of the City of Fresno who meets the eligibility requirements of the Plan and elects to participate in the Plan.

“Plan” means the Fresno City Employees Health and Welfare Trust group employee benefit program, as amended from time to time.

“Plan Year (or fiscal year)” means the period of time, which starts on July 1st each year and ends June 30th the following year.

“Pre-Existing Condition” refer to page 53.

“Registered Nurse” means a graduated and licensed Registered Nurse who is not related to the Covered Person by blood, marriage or law as well as any person who resides in the same house.

“Skilled Nursing Facility” means an institution that meets all of these tests:

1. it is legally operated;
2. it mainly provides short-term nursing and rehabilitation services for persons recovering from sickness or injury;
3. it provides services for a fee, which include both room and board and 24-hour-per-day skilled nursing service;
4. it provides the services under the full-time supervision of a Physician or registered graduate nurse (R.N.); if full-time supervision by a Physician is not provided, it has the services of a Physician available under a fixed agreement;
5. it keeps adequate medical records;
6. but “Skilled Nursing Facility” does not include an institution or part of one that is primarily a place for treatment of alcoholism, drug addiction or chemical dependency, or a home for the aged.

“Total Disability” as it applies to an Active Employee means all periods of disability arising from the same cause, including any and all complications, except that if the Active Employee completely recovers or returns to active employment or to availability for employment, any subsequent period of disability from the same cause shall be considered a new disability.

The term **“Total Disability”** as it applies to a Retired Employee or Dependent means all periods of disability arising from the same cause including all complications, except that if a Retired Employee or Dependent recovers from a period of three months and throughout such period also resumes normal activities of a person of like age and sex in good health, any subsequent period of disability from the same cause shall be considered as a new period of disability.

“Trust” means the Fresno City Employees Health and Welfare Trust.

“Usual and Customary Charge” means the charges and prices regularly charged for the medical services and supplies generally furnished for cases of comparable nature and severity in the particular geographical area concerned.

MEDICAL PLAN SCHEDULE OF BENEFITS

EFFECTIVE July 1, 2011

FOR ACTIVE EMPLOYEES AND THEIR DEPENDENTS AND
RETIRED EMPLOYEES AND DEPENDENTS UNDER AGE 65

PENALTY MESSAGE

The Plan requires pre-certification for certain Specialists and services. For services and procedures requiring pre-certification: Call (800) 343-1691 for pre-certification. Should services not be pre-certified, and/or if you do not utilize Network Providers, benefits will be substantially reduced as set forth in the Plan's Schedule of Benefits below.

Note: Two routine OB/GYN visits per female employee or dependent per year do not require pre-certification. Plan benefits for these services are payable under the Annual Physical Exam benefit. See page 6 for services which require pre-certification.

MAXIMUM REIMBURSEMENT GUIDELINE

Deductible per Fiscal Year

Per Individual	\$200 (plus emergency room co-payment)
Maximum per Family	\$600 (plus emergency room co-payment)

Co-Insurance Percentage

The Plan pays covered charges at the following percentages after the satisfaction of your deductible each Plan Year unless otherwise stated.

***IMPORTANT NOTE:** The following Plan Co-Insurance Percentage payable assumes that the FULL Employee Contribution has been received by the Trust Fund (\$985 per employee per month effective July 1, 2011). If an Active employee does not have a current Payroll Deduction Sheet on file indicating their election to make the employee monthly contribution it will result in a 25% reduction in the following benefits AFTER all other benefit calculations are made. PLEASE REFER TO PAGE 64 OF THIS PLAN BOOKLET FOR EXAMPLES OF HOW THIS REDUCTION IN BENEFITS WILL RESULT IN INCREASED OUT-OF-POCKET EXPENSES TO YOU.

NETWORK PROVIDERS		
Plan Pays	You Pay	Description of Service
*80% of the Blue Shield Contract Rate	*20% of the Blue Shield Contract Rate	Contract Rate for other services pre-certified by Blue Shield.

NON-NETWORK PROVIDERS		
Plan Pays	You Pay	Description of Service
*50% of the Usual and Customary Charges	The Balance	For services by a Non-Network Provider.

“Out-of-Pocket” Protection:

The Plan pays the first \$10,200 of covered charges incurred per individual fiscal year at the co-insurance levels listed above, unless otherwise stated. Thereafter, the Plan pays 100% of the contract rate or Usual and Customary Charges for Primary Care Physician or certified services provided by Network Providers and 70% of the contract rate or Usual and Customary Charges for service provided by Non-Network Providers or non-certified services for the remainder of the fiscal year.

Penalties resulting from failure to obtain Pre-Certification or failure to use a Network Provider will result in a reduction in your benefit payment(s) and are never paid at 100% under this provision. Also, charges for the following are never paid at 100% under this provision:

1. Chiropractic Care (outlined on page 20)
2. Prescription Drug Plan benefits (outlined on pages 23-27)
3. Vision Plan benefits (outlined on page 28)

MEDICAL PLAN SCHEDULE OF BENEFITS

EFFECTIVE July 1, 2011

***IMPORTANT NOTE:** The following Plan Co-Insurance Percentage payable assumes that the FULL Employee Contribution has been received by the Trust Fund (\$985 per employee per month effective July 1, 2011). If an Active employee does not have a current Payroll Deduction Sheet on file indicating their election to make the employee monthly contribution, it will result in a 25% reduction in the following benefits AFTER all other benefit calculations are made. PLEASE REFER TO PAGE 64 OF THIS PLAN BOOKLET FOR EXAMPLES OF HOW THIS REDUCTION IN BENEFITS WILL RESULT IN INCREASED OUT-OF-POCKET EXPENSES TO YOU.

SUMMARY OF SERVICE (Excluding Mental Health and Substance Abuse Treatment)	Network Provider Benefits	Non-Network Provider Benefits
Physician Office Visit including all other Services while in Office	*80% to Coinsurance Limit after the Deductible	*50% to Coinsurance Limit after the Deductible
Physician's Hospital Visits	*80% to Coinsurance Limit after the Deductible	*50% to Coinsurance Limit after the Deductible
Surgeon, Assistant Surgeon and Anesthesiologists Services	*80% to Coinsurance Limit after the Deductible	*50% to Coinsurance Limit after the Deductible
Laboratory and X-Ray Procedures	*80% to Coinsurance Limit after the Deductible	*50% to Coinsurance Limit after the Deductible
Speech Therapy (To restore speech following illness or injury incurred while covered under the Plan).	*80% to Coinsurance Limit after the Deductible	*50% to Coinsurance Limit after the Deductible
Occupational Therapy (When prescribed by Physician and Pre-Certified for non-chronic conditions related to illness or injury).	*80% to Coinsurance Limit after the Deductible	*50% to Coinsurance Limit after the Deductible
Physical Therapy	*80% to Coinsurance Limit after the Deductible	*50% to Coinsurance Limit after the Deductible
CONDITIONS OF PREGNANCY (For covered employee and/or spouse only.)		
Prenatal and Postnatal Office Visits	*80% to Coinsurance Limit after the Deductible	*50% to Coinsurance Limit after the Deductible
Physician's Hospital Visits	*80% to Coinsurance Limit after the Deductible	*50% to Coinsurance Limit after the Deductible
Normal Delivery and Cesarean Section	*80% to Coinsurance Limit after the Deductible	*50% to Coinsurance Limit after the Deductible
Complication of Pregnancy, Including Therapeutic Abortion	*80% to Coinsurance Limit after the Deductible	*50% to Coinsurance Limit after the Deductible
Newborns' and Mothers' Health Protection Act Compliant No pre-certification is required for minimum length of stay of a 48-hour Hospital stay following an uncomplicated normal delivery and a 96-hour length of Hospital stay following a Cesarean section delivery. However, Federal Law generally does not prohibit the mother's or newborn's attending provider, after consulting with the mother, from discharging the mother or her newborn earlier than 48 hours or 96 hours as applicable. Pre-certification is required for a longer stay than described above.		

MEDICAL PLAN SCHEDULE OF BENEFITS (CONTINUED)

***IMPORTANT NOTE:** The following Plan Co-Insurance Percentage payable assumes that the FULL Employee Contribution has been received by the Trust Fund (\$985 per employee per month effective July 1, 2011). If an Active employee does not have a current Payroll Deduction Sheet on file indicating their election to make the employee monthly contribution, it will result in a 25% reduction in the following benefits AFTER all other benefit calculations are made. PLEASE REFER TO PAGE 64 OF THIS PLAN BOOKLET FOR EXAMPLES OF HOW THIS REDUCTION IN BENEFITS WILL RESULT IN INCREASED OUT-OF-POCKET EXPENSES TO YOU.

SUMMARY OF SERVICE	Network Provider Benefits	Non-Network Provider Benefits
Voluntary Sterilization For employee and spouse only.	*80% to Coinsurance Limit after the Deductible	*50% to Coinsurance Limit after the Deductible
Blood, Blood Plasma, Blood Derivatives and Blood Factors	*80% to Coinsurance Limit after the Deductible	*50% to Coinsurance Limit after the Deductible
Ambulance	*80% to Coinsurance Limit after the Deductible	
Chemotherapy and Radiation Therapy	*80% to Coinsurance Limit after the Deductible	*50% to Coinsurance Limit after the Deductible
Hospice Care The Plan covers Charges by Hospices that are licensed as certified home health agencies	*80% to Coinsurance Limit after the Deductible	*50% to Coinsurance Limit after the Deductible
Durable Medical Equipment Purchase or rental in excess of \$1,000 must be pre-certified by Blue Shield.	*80% to Coinsurance Limit after the Deductible	*50% to Coinsurance Limit after the Deductible
Annual Physical Exam (Plan Deductible Waived) (Ages 15 years and above) Plan allows for Employees and eligible Dependents to receive an Annual Physical Examination, including routine annual Gynecological exams and Pap smears, under Major Medical benefits.	*100%	*50% to Coinsurance Limit
Adult Immunizations (Includes Exams, and Immunizations)	*80% to Coinsurance Limit after the Deductible	*50% to Coinsurance Limit after the Deductible
Well Child Care (Ages 2 through 14) (Includes Exams, and Immunizations as recommended by the American Academy of Pediatrics at website: www.aap.org)	*80% to Coinsurance Limit after the Deductible	*50% to Coinsurance Limit after the Deductible
Well Baby Care During the first year after birth (after leaving the Hospital).	*80% to Coinsurance Limit after the Deductible	*50% to Coinsurance Limit after the Deductible
Hearing Exam The Hearing Exam will be paid at 80% for Network Providers and 50% at Non-Network Providers.	*80% to Coinsurance Limit after the Deductible	*50% to Coinsurance Limit after the Deductible
Routine Mammograms (Plan Deductible Waived)	*100%	*50% to Coinsurance Limit

MEDICAL PLAN SCHEDULE OF BENEFITS (CONTINUED)

***IMPORTANT NOTE:** The following Plan Co-Insurance Percentage payable assumes that the Employee Contribution has been received by the Trust Fund (\$985 per employee per month effective July 1, 2011). If an Active employee does not have a current Payroll Deduction Sheet on file indicating their election to make the employee monthly contribution, it will result in a 25% reduction in the following benefits AFTER all other benefit calculations are made. PLEASE REFER TO PAGE 64 OF THIS PLAN BOOKLET FOR EXAMPLES OF HOW THIS REDUCTION IN BENEFITS WILL RESULT IN INCREASED OUT-OF-POCKET EXPENSES TO YOU.

SUMMARY OF SERVICE (Does not include Mental Health Covered Services)	Network Provider Benefits	Non-Network Provider Benefits
HOSPITAL AND CONVALESCENT CARE FACILITY SERVICES		
NOTE: Pre-certification for admission is required except in emergencies. The Plan will pay pre-certified services rendered by a Non-Network Hospital-based Physician (such as a radiologist, pathologist or anesthesiologist) in a Network Hospital at the Network benefit level when the Covered Person has no choice of providers.		
Inpatient Hospital Room and Board and Ancillary Services	*80% to Coinsurance Limit after the Deductible	*50% to Coinsurance Limit after the Deductible
Skilled Nursing Facility Room and Board and Ancillary Services	*80% to Coinsurance Limit after the Deductible	*50% to Coinsurance Limit after the Deductible
Ambulatory Surgical Center	*80% to Coinsurance Limit after the Deductible	*50% to Coinsurance Limit after the Deductible
Birthing Center (For covered employee and/or spouse only)	*80% to Coinsurance Limit after the Deductible	*50% to Coinsurance Limit after the Deductible
Outpatient Services	*80% to Coinsurance Limit after the Deductible	*50% to Coinsurance Limit after the Deductible
EMERGENCY SERVICES		
Emergency Inpatient Services If your Inpatient Hospital claim is deemed "Medically Necessary" and an "Emergency," you will be reimbursed at the Network Provider Benefit; otherwise the claim will be paid at the Non-Network Provider Benefit. Please refer to the Definition section of this booklet, beginning on page 10, for an explanation of these terms.		
Emergency Outpatient Services \$50 co-payment per visit; waived for emergency or if visit precedes hospitalization or patient is more than 100 miles from residence or Primary Care Physician refers member to emergency room. The claim will be reviewed for "Medical Necessity." If the claim is deemed Medically Necessary you will be reimbursed at the Network benefit level, otherwise, the claim will be paid at the Non-Network benefit level. Please refer to page 10 for a definition of "Emergency."	\$50 co-pay then *80% to Coinsurance Limit after the Deductible	\$50 co-pay then *50% to Coinsurance Limit after the Deductible

MEDICAL PLAN SCHEDULE OF BENEFITS (CONTINUED)

***IMPORTANT NOTE:** The following Plan Co-Insurance Percentage payable assumes that the FULL Employee Contribution has been received by the Trust Fund (\$985 per employee per month effective July 1, 2011). If an Active employee does not have a current Payroll Deduction Sheet on file indicating their election to make the employee monthly contribution, it will result in a 25% reduction in the following benefits AFTER all other benefit calculations are made. PLEASE REFER TO PAGE 64 OF THIS PLAN BOOKLET FOR EXAMPLES OF HOW THIS REDUCTION IN BENEFITS WILL RESULT IN INCREASED OUT-OF-POCKET EXPENSES TO YOU.

SUMMARY OF SERVICE	
*100% BENEFITS	
Hearing Aid	*100% after the Deductible
Foot Orthotics Foot orthotics including orthopedic or corrective shoes and other supportive appliances for the feet.	*100% after the Deductible
Flu Shots <p>The Plan sponsors an annual flu shot program during October and November. As a Participant in the Fresno City Employees Health and Welfare Trust, you and your dependents are permitted to participate in this program. The flu shot program is coordinated through a local health care organization and the shots are given at various City locations. In order to know when the program starts and ends, please watch your mail around the middle of August of each year for a detailed description of the dates, times and locations. Should you be unable to participate in the Plan's annual flu shot program, you will be allowed to receive a flu shot from your Physician at the 80/50% reimbursement level depending on the type of provider utilized.</p> <p>Pneumonia vaccinations are covered at 80% of the Contract Rate for certified Network services and 50% of Usual and Customary Charges for Non-Network services.</p>	

MENTAL HEALTH AND SUBSTANCE ABUSE CARE SCHEDULE OF BENEFITS

EFFECTIVE July 1, 2011

***IMPORTANT NOTE:** The following Plan Co-Insurance Percentage payable assumes that the FULL Employee Contribution has been received by the Trust Fund (\$985 per employee per month effective July 1, 2011). If an Active employee does not have a current Payroll Deduction Sheet on file indicating their election to make the employee monthly contribution, it will result in a 25% reduction in the following benefits AFTER all other benefit calculations are made. PLEASE REFER TO PAGE 64 OF THIS PLAN BOOKLET FOR EXAMPLES OF HOW THIS REDUCTION IN BENEFITS WILL RESULT IN INCREASED OUT-OF-POCKET EXPENSES TO YOU.

All **Inpatient Services** must be pre-certified by Psy-Care at (559) 261-9050 or they are **NOT** covered by the Plan. For maximum coverage, all outpatient care must be performed by a Psy-Care Network physician.

Outpatient Care

First Outpatient treatment visit, one per family, is provided at no cost to you or your family through Psy-Care.

SUMMARY OF SERVICE (Mental Health Treatment)	Psy-Care Network Provider Benefits	Non-Network Provider Benefits
Inpatient Mental Health Care All inpatient services must be pre-authorized by Psy-Care to be covered.	Not Covered unless Pre-authorized by Psy-Care *80% of Psy-Care's contract rate after the Deductible	Not Covered unless Pre-authorized by Psy-Care *80% after the Deductible with Pre-authorization.
Outpatient Mental Health Care	*80% of Psy-Care's contract rate after the Deductible	*80% after the Deductible
SUMMARY OF SERVICE (Substance Abuse Treatment)	Psy-Care Network Provider Benefits	Non-Network Provider Benefits
Inpatient Substance Abuse Care	Not Covered unless Pre-authorized by Psy-Care *80% of Psy-Care's contract rate after the Deductible	Not Covered unless Pre-authorized by Psy-Care *80% after the Deductible
Outpatient Substance Abuse Care	*80% of Psy-Care's contract rate after the Deductible	*80% after the Deductible
<p>Aftercare support groups are provided at no cost to employee.</p> <p>Utilization Management Psy-Care will monitor the need and appropriateness of care rendered for both inpatient and outpatient services on an ongoing basis</p> <p>All Inpatient and Partial Hospitalization - <u>must be pre-certified by Psy-Care</u></p>		

CHIROPRACTIC CARE SCHEDULE OF BENEFITS
Network Provided by ChiroMetrics
EFFECTIVE July 1, 2011

***IMPORTANT NOTE:** The following Plan Co-Insurance Percentage payable assumes that the **FULL** Employee Contribution has been received by the Trust Fund (\$985 per employee per month effective July 1, 2011). If an Active employee does not have a current Payroll Deduction Sheet on file indicating their election to make the employee monthly contribution, it will result in a 25% reduction in the following benefits **AFTER** all other benefit calculations are made.

SUMMARY OF CHIROPRACTIC SERVICES	
Chiropractic services by ChiroMetrics	\$5 co-payment then *100% of contract rate after the Deductible
Chiropractic services by Non-ChiroMetrics Provider Inside Fresno and Madera Counties	*50% of Usual and Customary Charges to a maximum payment of \$15 per visit after the Deductible
Chiropractic services by Non-ChiroMetrics Provider Outside Fresno and Madera Counties	*50% of Usual and Customary Charges to a maximum payment of \$30 per visit after the Deductible.
<p>NOTE: Diagnostic X-Ray Benefit-\$100 per year maximum paid at *100% of Usual and Customary Charges or the ChiroMetrics contract rate after the Deductible.</p> <p>24 visits maximum per Plan Year; 10 visits allowed per month and 1 visit allowed per day.</p> <p>The following protocol will apply for chiropractic treatment requiring precertification:</p> <p>Chiropractic Care - The following services require Precertification by Calling ChiroMetrics at 559-447-3375.</p> <ol style="list-style-type: none"> 1. All children fifteen- (15) years of age and under must have either written or verbal authorization for treatment before any claims will be paid. In the case of an emergency or where authorization was unable to be obtained on the first visit, then <u>ONLY</u> the first visit will be covered. 2. Any treatment involving more than twelve (12) visits must have any and all additional visits pre-certified by the treating chiropractor submitting a treatment plan to ChiroMetrics for approval. 3. All massage therapy must be pre-certified for medical necessity by the treating chiropractor submitting a treatment plan to ChiroMetrics for approval. 	

*** Co-payment is in addition to any deductible or "out of pocket" limitations.**

CHIROPRACTIC PLAN EXCLUSIONS AND LIMITATIONS

The following are specifically excluded from this agreement or have specific limitations:

- Services not documented as necessary and appropriate or classified as experimental or investigational chiropractic care
- Diagnostic scanning, including Magnetic Resonance Imaging (MRI), CAT scan and/or other types of diagnostic scanning
- Thermography
- Treatment or services for pre or post-employment physicals or vocational rehabilitation
- Any treatment or service caused by or arising out of the course of employment or covered under any public liability insurance
- Hypnotherapy, behavioral training, sleep therapy, weight programs, education programs, non-medical self-care or self-help, or any other self-help physical exercise training, or any other related diagnostic testing
- Air conditioners, humidifiers, air purifiers, therapeutic mattress supplies, or any other similar devices and appliances
- Vitamins, minerals, nutritional supplements or other similar products
- Anesthesia, manipulation under anesthesia, hospitalization, or any related service
- Juveniles under age 15 require a referral from ChiroMetrics prior to treatment
- All Massage Therapy must be medically necessary and requires precertification by ChiroMetrics prior to treatment.

MEDICARE SUPPLEMENT PLAN SCHEDULE OF BENEFITS FOR RETIRED EMPLOYEES AND THEIR DEPENDENTS OVER THE AGE OF 65

Medicare Changes Medicare Part A (Hospital) and Part B (Medical) Deductibles each January 1

BENEFIT	PLAN PAYS
HOSPITAL	
01 - 60 days	Medicare Part A Deductible
61 - 90 days	Medicare Daily Copayment
91 -150 days	Medicare Daily Copayment (Medicare allows up to 60 days total lifetime days)
MENTAL ILLNESS	
Hospitalization	Medicare deductible and co-payment up to 190 days (Medicare allows up to 190 day lifetime maximum)
SKILLED NURSING FACILITY	Medicare Pays 100% for days 1 – 20, then Plan pays Medicare Daily Copayment
MEDICAL	20% of Medicare Part B Usual, Customary and Reasonable expenses
X-RAY AND LABORATORY	20% of Medicare Usual, Customary and Reasonable expenses
PHYSICAL THERAPY	20% of Medicare Usual, Customary and Reasonable expenses up to \$100 per year
BLOOD TRANSFUSION	20% of Medicare Usual, Customary and Reasonable expenses after 3 pints per year
OUTPATIENT MENTAL ILLNESS	50% of Medicare Usual, Customary and Reasonable expenses
AMBULANCE	20% of Medicare Usual, Customary and Reasonable expenses
PRESCRIPTION DRUG	Please refer to pages 23 and 27 for a complete description of walk-in and mail order benefits.
VISION CARE	\$400 per any 24-month period Exam/Prescription/ Frames/Prescription Lenses
HEARING AID BENEFITS	100% up to \$2,000 every 36 months; hearing test once every three years paid at 80% of Usual and Customary Charges
FOOT ORTHOTICS	Foot orthotics including orthopedic or corrective shoes and other supportive appliances for the feet are covered when certified as Medically Necessary by Blue Shield in lieu of surgery. Orthotics are limited to coverage once per lifetime for adults and once every 12 months for children under age 19 or to age 25 if dependent is primarily dependent upon you for support and maintenance and is a full-time student at an institution of learning when replacement is required due to growth. The maximum lifetime Plan benefit per Participant for foot orthotics is \$300
APPLIANCES	20% of Medicare Usual, Customary and Reasonable expenses
WORLDWIDE COVERAGE	100% of Medicare Parts A and B Usual, Customary and Reasonable expenses

MEDICARE SUPPLEMENT PLAN (CONTINUED)

All of the exclusions and limitations appearing in this Plan Booklet are applicable to the Medicare Supplement Plan, including Coordination of Benefits provisions noted on page 60. **Note: The Plan will pay the benefits outlined based on Medicare Usual, Customary & Reasonable Expenses (Allowable Charges). If Medicare denies an expense incurred for Medicare Part A and Part B services, the denied expenses will not be considered an eligible expense under this Plan and will not be paid under the Medicare Supplement Plan benefits shown on page 21. Expenses for Prescription Drugs, Vision Care, Hearing Aids, and Foot Orthotics are separate benefits provided by this Plan to Medicare-eligible Retired employees which are generally excluded by Medicare.**

This Plan is a supplement to Medicare's Part A and Part B coverage. If you elect Medicare Part C (Medicare+Choice) at any time, or enroll in an individual Medicare Part D (Prescription Drug) program, you will not be allowed to participate in this Medicare Supplement Plan and/or this Plan's Prescription Drug program.

It is the current policy of the Board of Trustees to adjust the benefits as Medicare provisions change and to increase or decrease the charge accordingly.

Election of such coverage must be made within 90 days after becoming eligible to participate in the program. Please be aware that if you do not elect coverage under the Medicare Supplement Plan, or if you elect Medicare Part C coverage, you cannot opt back in at a later date.

The cost of such coverage is intended to fully support the benefits paid.

To Save Money

This Plan's benefit is based on Medicare's usual and customary allowance. To save money, use providers who accept Medicare Assignment. Providers to suppliers are given an option to accept or not accept assignments under the Medicare plan. If the providers/suppliers accept assignment, they agree to reduce their total charge to the charge determined to be usual and customary by Medicare. If you use providers/suppliers who have not accepted Medicare assignment, you will be responsible for all amounts over Medicare's usual and customary allowance.

PRESCRIPTION DRUG PLAN SCHEDULE OF BENEFITS

EFFECTIVE July 1, 2011

***IMPORTANT NOTE:** The following Plan Co-Insurance Percentage payable assumes that the FULL Employee Contribution has been received by the Trust Fund (\$985 per employee per month effective July 1, 2011). If an Active employee does not have a current Payroll Deduction Sheet on file indicating their election to make the employee monthly contribution, it will result in a 25% reduction in the following benefits AFTER all other benefit calculations are made. PLEASE REFER TO PAGE 64 OF THIS PLAN BOOKLET FOR EXAMPLES OF HOW THIS REDUCTION IN BENEFITS WILL RESULT IN INCREASED OUT-OF-POCKET EXPENSES TO YOU.

Your cost for a Prescription Drug under the Walk-in and Mail Order Programs will depend on whether the prescribed drug is a Generic, a Preferred Brand Drug, or a Non-Preferred Brand Drug (defined below). Your out-of-pocket costs will be less if Generic and Preferred Brand Drugs are dispensed.

The Prescription Drug Program will cover medically-necessary drugs prescribed for the treatment of an illness, medical condition, or injury. In addition, the Prescription Drug Program covers birth control prescribed drugs but does not cover birth control devices; however some birth control devices are covered under the medical benefits. A description of the Walk-in and Mail Order Programs, and how to use them, is outlined on the following pages.

If a Generic Drug is available and you specifically request a Brand Name Drug, you will be responsible to pay the difference in cost between the Brand Name and Generic Drug.

informedRx - PRESCRIPTION CARD SERVICE (Walk In Program)	
(34-Day Supply)	
Generic Drugs	Plan Pays *90% of informedRx Contract Rate
Preferred Brand Drugs	Plan Pays *80% of informedRx Contract Rate
Non-Preferred Brand Drugs	Plan Pays *70% of informedRx Contract Rate
MAIL ORDER SERVICE (90-Day Supply) Thru informedRx Mail	
Generic Drugs	\$5 Member copayment for each prescribed drug
Preferred Brand Drugs	\$20 Member copayment for each prescribed drug
Non-Preferred Brand Drugs	\$20 Member copayment for each prescribed drug

Walk-in Program

After you become eligible for benefits under this Plan, present your HealthComp ID Card at a participating pharmacy and you will pay a percentage of the discounted prescription drug cost of allowable charges for covered prescriptions (equal to *10%, *20% or *30%, depending on whether it is a Generic, a Preferred Brand Drug, or a Non-Preferred Brand Drug)). These charges are not applied to the \$200.00 per person deductible or the \$600.00 cumulative family deductible and are not used to satisfy your out-of-pocket maximum.

If the Covered Person does not present an ID card at the time of purchase, or chooses to have the prescription filled at a non-participating pharmacy, the Covered Person must:

1. Pay the full charge for the prescription;
2. Obtain a paid receipt which includes prescription information, not a cash receipt; and
3. Complete in its entirety a Reimbursement Claims Form (available from informedRx), with the pharmacist's help, if necessary. The receipt should be attached to the claim form and both should be sent directly to the address indicated on the claim form.

Mail Order Program

The InformedRx Mail Service Pharmacy Benefit allows a Covered Person to receive up to a 90-day supply of a maintenance drug. A maintenance drug is a prescription medication taken on a continuous long-term basis for conditions such as diabetes, high blood pressure or heart conditions, and prescribed by a Physician.

Mail Order Co-Pay Amounts

Under the InformedRx Mail Order Pharmacy programs, a single co-payment will be charged per prescription filled or refilled. Your co-payment will be \$5 for each prescribed maintenance Generic drug dispensed and a \$20 copayment for each Preferred Brand and Non-Preferred Brand drug dispensed. Under the mail order program, a 90-day supply is allowable, provided your Doctor prescribed that amount and refills are permitted.

How to Use the Mail Order Program

1. Simply ask your Doctor to write a prescription for a 90-day supply, plus two or three refills.
2. Request a **InformedRx** mail order form and envelope from HealthComp Administrators. Complete the form and enclose your prescription(s) in the postage paid envelope.
3. Use the postage paid, self-addressed envelope to mail the form and your prescription(s) InformedRx.

Your prescription will be filled by a licensed pharmacist exactly as written by your Doctor and will be delivered to your home either by UPS or by first class mail.

You should contact informedRx's Help Desk for questions regarding your order, or to speak with a pharmacist, or for information concerning paying Mail Order co-payments by check or credit card by calling (800) 777-0074.

Important Information and Questions Concerning the Walk-In and Mail Order Programs

Preferred Brand Drugs are drugs that have been identified by informedRx to provide the same medical efficacy often at a lower cost than other Brand Drugs.

Non-Preferred Brand Drugs are drugs that are not Generic or on the informedRx listing of Preferred Brand Drugs.

Over-the-counter (OTC) drugs are drugs that can be obtained without a prescription. Over-the-counter (OTC) drugs are not a covered benefit, even if they are prescribed by a doctor.

Need Help Determining Whether a Brand-Name Drug is a Preferred Brand Drug or a Non-Preferred Brand Drug under the Walk-In or Mail Order Program? Please contact informedRx's Help Desk at (800) 777-0074, or through informedRx's website at www.myinformedrx.com.

If a generic drug is available and I specifically request a brand-name drug, what will happen? You will be responsible to pay the difference in cost between the brand-name and the generic drug.

informedRx Medicare Part D Prescription Drug Program

The Medicare Part D program provides Medicare beneficiaries with a prescription drug benefit. Unlike coverage in Medicare Parts A and B, Part D is not provided within the traditional Medicare program. To take advantage of the Medicare Part D benefits, informedRx has been selected to offer a Medicare Prescription Drug Plan to retired participants who have Medicare. When you enroll in the informedRx Medicare Prescription Drug Plan your monthly premium for your health benefits will be reduced by \$50.

Under the informedRx Medicare Prescription Drug Plan, your prescription drug plan will have few changes. A brief summary of these benefits are listed below.

- Your standard copay amounts for a 34 day (Retail/Walk-in) supply are: Generic – Plan pays 90% of contract rate. Preferred Brand – Plan pays 80% of contracted rate and Non Preferred Brand – Plan pays 70% of contracted rate.
- Your standard copay amounts for 90 day supply through MAIL are: \$5.00 for Generic, \$20.00 for Preferred and Non-Preferred Brands.
- At (Retail/Walk-in) you will be allowed to fill up to a 90 day supply at select pharmacies.
- At informedRx Mail you will be allowed to fill up to a 90 day supply.
- Your Mail Service Pharmacy is informedRx Mail (1-800-777-0074).
- HealthComp produces your ID cards.

Enrollment in the Trust's Medicare Part D pharmacy plan is no long optional after July 1, 2009 for those that are eligible. You must enroll in the Trust's Medicare Part D pharmacy plan or have other Medicare Part D coverage outside of the Trust. If you chose to opt-out of the Trust's Medicare Part D plan you will not receive any prescription drug coverage from the Trust fund.

To enroll in the informedRx Medicare Prescription Drug Plan, you must complete the application form and return it with a copy of your Medicare ID card. When it is received, your enrollment information will be transmitted to informedRx, who will submit it to Medicare for approval. You will remain enrolled in the current informedRx Rx benefit plan until you are approved by Medicare. Once approval is received from Medicare, you will be enrolled in the informedRx Medicare Prescription Drug Plan and you will receive the following information:

1. Evidence of Coverage
2. Pharmacy Listing
3. Formulary Listing
4. Grievance Appeals and Procedures
5. A new Medical/Rx ID card

Once you enroll in the informedRx Medicare Prescription Drug Plan under the Trust, Medicare will disenroll you from any other Medicare Part D plan.

You will receive a \$50 reduction in your health premium beginning the first of the month following your approval from Medicare.

For additional information on the informedRx Prescription Drug Plan, you may also call informedRx at (866) 443-1095.

***Important Notice from Fresno City Employees Health and Welfare Trust
About Your Prescription Drug Coverage and Medicare***

This notice is to inform you that your current prescription drug benefit program through the Fresno City Employees Health and Welfare Trust provides “creditable coverage,” as defined below. It also includes answers to questions you may have regarding your current prescription drug program and how it relates to Medicare Part D coverage.

2011 CERTIFICATE OF CREDITABLE PRESCRIPTION DRUG COVERAGE

The Fresno City Employees Health and Welfare Trust hereby certifies that the prescription drug coverage it provides to Medicare-eligibles is expected to pay out, on average for all such participants, at least as much as the standard Part D coverage would pay in calendar year 2011. It is therefore designated as providing 2011 “creditable coverage,” meaning that any participant who later enrolls in a Part D plan will not be charged a late enrollment penalty for 2011.

This is your notice of creditable coverage. Be sure to read it carefully and keep it in a safe place where you can find it. If you lose this notice and need another copy, please call the Trust’s Administrator at (559) 499-2450 or request a copy in writing from Health Comp, 621 Santa Fe Street, Fresno, CA 93721. Updated versions of this notice will be included annually in the Plan Document and you will be informed if the Trust ever loses its creditable coverage status.

Prescription drug coverage for Medicare-eligible participants under the Fresno City Employees Health and Welfare Trust is outlined below.

RETAIL	
Generic Drugs	Plan pays 90% of contract rate
Preferred Brand Drugs	Plan pays 80% of contract rate
Non-Preferred Brand Drugs	Plan pays 70% of contract rate

MAIL-ORDER	
Generic Drugs	Plan pays 100% after \$5 copayment per prescription
Brand Drugs	Plan pays 100% after \$20 copayment per prescription
Limits	90 days' supply per prescription

FREQUENTLY ASKED QUESTIONS REGARDING THE CERTIFICATE OF CREDITABLE COVERAGE

(1) Do I need to do anything now?

No, you can keep using the Trust's prescription drug program the same as you always have. Your copayments will not change, nor will any pharmacy network.

When you first become eligible for Medicare¹, you will have the option to independently enroll in an individual Medicare Part D prescription drug plan. **However, by enrolling in an individual Part D plan you may permanently lose your current prescription drug coverage under the Fresno City Employees Health and Welfare Trust and you will not be reimbursed for your Part D premiums.** As mentioned above, the standard individual Part D benefit is not as good as the Trust's own prescription drug program (as described in this Trust plan booklet).

You should compare your current prescription drug program, including which drugs are covered, with the benefits and costs of the Medicare Part D plans available in your area. To view the official summary of approved Medicare Part D plans in any U.S. state, visit <http://www.medicare.gov/medicarereform/map.asp>. Note that a Part D plan might not include your regular prescription drugs on its formulary. The Trust cannot provide you with a complete comparison of available Part D plans, but we urge you to carefully review any descriptions you may obtain.

(2) So why do I need to keep my notice of creditable coverage?

In case you ever drop or lose your Trust coverage, or in the unlikely event that Trust coverage becomes non-creditable, having this notice will allow you to immediately enroll in a Part D plan without having to pay a late enrollment penalty. Specifically, if you try to enroll after your initial eligibility period, you will be charged a permanent Part D premium surcharge of 1% for every month since your initial Medicare eligibility for which you cannot show that you had creditable coverage (if such non-creditable period exceeds 62 days). Also note that you may have to wait for the next regular annual Part D enrollment period, which will be November 15th through December 31st for coverage in the following calendar year.

(3) How can I get more information on individual Medicare Part D?

More detail will be in the handbook "Medicare & You" that will be mailed to you by Medicare in October of each year. You may also be contacted directly by Medicare-approved Part D providers. At any time you can visit <http://www.medicare.gov/> or call 1-800-MEDICAR (1-800-633-4227). TTY users should call 1-877-486-2048.

Every state has a Health Insurance Assistance Program to help Medicare beneficiaries and their families with their health insurance choices and with problems that might arise. In California it is called the "Health Insurance Counseling and Advocacy Program" (HICAP) and can be reached (by non-cell phones only) at 1-800-434-0222. Further assistance is available from the California Senior Information line (also by non-cell phones only) at 1-800-510-2020. To see the Part D information collected by the California program, visit <http://www.aging.ca.gov/> and click the button "Medicare Rx for consumers". Contact information for similar programs in other states will be listed in your "Medicare & You" handbook.

For people with limited income and resources, extra help paying for a Medicare prescription drug plan is available. For more information about this extra help, visit the Social Security Administration website at <http://www.socialsecurity.gov/> or call them at 1-800-772-1213. TTY users should call 1-800-325-0778.

Be sure to keep this notice. If you enroll in one of the plans approved by Medicare which offer prescription drug coverage, you may need to give a copy of this notice when you join to show that you are not required to pay a higher premium.

¹ Your Medicare Initial Enrollment Period will be the month in which you become age 65, plus the preceding three months and the succeeding three months.

VISION PLAN OF BENEFITS

EFFECTIVE July 1, 2011

VISION BENEFITS

\$400 allowance per any 24-month period toward Exam/Prescription Frames/Prescription Lenses. The \$400 allowance may be applied toward laser surgery, provided no services for Exam/Prescription Frames/Prescription Lenses exceeding the \$400 allowance were received within the prior 24-month period.

EXAMPLE

A member who has never used the vision benefit has an allowance of \$400 for eligible vision services

On October 5, 2010 the member uses \$200 of the \$400 allowance leaving an available balance of \$200 for vision services

On January 20, 2011 the member uses an additional \$100 leaving an available balance of \$100 for vision services

On October 5, 2012 (24 months after the first date the vision benefit was used) the member is eligible to receive an additional \$200 for vision services (the amount of the October 5, 2010 visit) and now has a balance of \$300 for vision services

NOTE: Please refer to page 31 (number 11) for a description of covered Vision Benefits and limitations.

COMPREHENSIVE MEDICAL BENEFITS

COVERED EXPENSES

Covered/Eligible medical expense means the usual, customary and reasonable (UCR) expenses incurred by or on behalf of a Covered Person for the Hospital or other medical services listed below which are:

1. Administered or ordered by a Physician;
2. Medically necessary for the treatment of and injury or illness;
3. Not of a luxury or personal nature; and
4. Not otherwise excluded or reduced under the Exclusions and Limitations sections of this Plan.

DEDUCTIBLE AMOUNT

The deductible will be applied to covered expenses only once each Plan Year regardless of the number of accidents or sicknesses the Covered Person may have.

FAMILY LIMIT ON DEDUCTIBLE

If an amount equal to 3 deductibles is met by any total of family members during the same 12 month period beginning July 1 of each year, all eligible medical expenses incurred during that 12 month period by covered members of such family shall be considered as being in excess of their deductible amount.

DEDUCTIBLE CARRY OVER PROVISION

Any expenses incurred in April, May and June, which are used to satisfy the deductible for that year, will also be used to reduce the deductible for the following year.

COMMON DEDUCTIBLE

If an employee and one or more of his/her dependents, or if two or more of his/her dependents are injured in the same accident, benefits will be paid separately for each individual and only one deductible will apply.

If a multiple birth occurs and covered expenses are incurred by children born in connection with (a) premature birth, or (b) an abnormal congenital condition, or (c) an injury or sickness which occurs within 30 days after the birth, benefits will be paid separately for each child and only one deductible will apply to the total expenses incurred by the children.

COVERED MEDICAL EXPENSES

Benefits are payable under the Plan for the following services at the percentages set forth in the Schedule of Benefits:

1. HOSPITAL BENEFITS

- a. The room and board, medical services, and supplies furnished by a Hospital, Ambulatory Surgical Center, or a Birthing Center.
- b. Other Hospital Expenses: The actual charges made by the Hospital for necessary services and supplies used in the Hospital, such as drugs, dressings, blood plasma, anesthetic fees, operating room, etc.. This does not include special nursing fees.
- c. Hospital outpatient care is provided for non-confining disabilities. Outpatient Hospital care is covered when Medically Necessary to perform covered dental services and pre-certified by Blue Shield.

Pre-certified services rendered by a Non-Network Hospital based Physician (such as a radiologist, pathologist or anesthesiologist) in a Network Hospital are covered at the Network benefit level when the Covered Person has no choice of provider.

2. AMBULANCE EXPENSE BENEFITS

Ambulance expense for transportation to or from the Hospital, except that ambulance service from the Hospital to a Skilled Nursing Facility is limited to \$25.00.

3. PROFESSIONAL ANESTHESIOLOGIST BENEFITS

Professional anesthesiologist benefits are provided when a Covered Person is entitled to surgical care and when anesthesia is administered by a licensed Physician.

Pre-certified services rendered by a Non-Network Hospital-based Physician (such as a radiologist, pathologist or anesthesiologist) in a Network Hospital are covered at the Network benefit level when the Covered Person has no choice of providers.

4. SKILLED NURSING FACILITY BENEFITS

The room and board (at the semi-private rate), medical services, physical therapy (if ordered by a Physician) and supplies furnished by or in a Skilled Nursing Facility after an inpatient hospitalization involving surgery, or if not involving surgery, an inpatient hospitalization of at least three days, and the care is ordered by a Physician as Medically Necessary; *provided, however, that no benefits for convalescent care shall be payable for Custodial Care, or for services or conditions attributed to or caused by mental illness or functional nervous disorders, or for services primarily for the convenience of the patient or provider, or because the Covered person has no where else to go.*

5. HOSPICE BENEFITS

The Plan covers a wide range of services provided by Hospices to control physical symptoms and to provide emotional and spiritual support during the last six months of life. Covered services include home visits by nurses and other health care professionals in addition to Hospital inpatient and outpatient care when needed. The Plan covers Charges by Hospices that are licensed as certified home health agencies.

6. SURGICAL BENEFITS

The surgical fee incurred when a Covered Person has undergone a surgical operation by a legally qualified Physician or Surgeon because of bodily injury or sickness.

7. IN-HOSPITAL PHYSICIANS' VISITS

When the Covered Person is confined to a Hospital, an additional benefit is provided to help defray the cost of the doctor's daily call other than the operating Surgeon. The benefit provides payment for charges for doctors' visits as often as needed, including charges for extra time and consultants Schedule of Benefits. In-Hospital Physician's visits provided in connection with Substance Abuse and Mental Health have separate limitations.

8. DIAGNOSTIC X-RAY AND LABORATORY

The Plan covers charges for laboratory tests and x-ray examinations for diagnosis of an injury or sickness with the recommendation and approval of a legally qualified Physician or Surgeon.

Limitation:

These Diagnostic Laboratory and x-ray Benefits do not cover any expense incurred for dental x-rays.

9. MASTECTOMY BENEFITS

In accordance with the Women's Health and Cancer Rights Act of 1998, after a covered mastectomy, the Hospital and Physician benefits of the Plan will cover the following expenses:

- a. Reconstruction of the breast on which the mastectomy has been performed.
- b. Surgery and reconstruction of the other breast to produce a symmetrical appearance; and
- c. Prostheses (implants, special bras, etc.) and physical complications for all stages of a mastectomy, including lymphedemas (swelling associated with the removal of lymph nodes) in a manner determined appropriate in consultation with the attending Physician and the patient.

If a Participant had a mastectomy prior to the effective date of coverage under this Plan and is not presently receiving benefits in connection with a mastectomy, the Plan does not provide coverage for a symmetrical appearance. However, if a Participant is receiving follow-up care related to the mastectomy that occurred before the Participant became covered under the Plan, then the Participant may have rights to a symmetrical appearance procedure under the statute.

Coverage for breast reconstruction and related services will be subject to all applicable deductibles, co-payments and coinsurance amounts that are consistent with those that apply to other benefits under the Plan.

10. MATERNITY BENEFITS

Expense incurred by a female employee or dependent spouse as a result of pregnancy will be considered on the same basis as illness-related expense. All Plan provisions and limitations will apply to pregnancy claims in the same manner as claims incurred as a result of illness. Expense incurred by a female employee or dependent spouse as a result of pre-natal screening will be considered on the same basis as illness related expense.

11. VISION BENEFITS

This Plan will pay benefits for examinations, prescription lenses, frames and contact lenses, or for laser eye surgery at 100% to a maximum benefit of \$400.00 per individual in any 24-month period. Lenses, glasses and contact lenses not required to correct vision are not a covered expense.

12. OTHER SERVICES AND SUPPLIES

- a. The charges of a Physician for his/her professional medical or surgical services.
- b. The charges of a registered graduate nurse or a licensed physiotherapist or licensed midwife other than one who resides in your home or who is a close relative, for professional services and the charges of any other practitioner of the healing arts who renders care or treatment within the limits set forth in the license issued to the practitioner by the applicable agency of the state.

- c. The charges of a Hospital or free-standing outpatient surgical facility, made in its own behalf, for services and supplies rendered during confinement as inpatient or outpatient except that, for each day in which the Covered Person occupies a room, the amount, if any, by which the Hospital's charges for room and board exceed the semi-private room rate shall be excluded from Covered Expenses; or the charges of a Hospital, made in its own behalf, for confinement in an intensive care unit, contagion ward, isolation or private accommodations, when such confinement is certified by the attending Physician as being Medically Necessary by reason of the severity of the Covered Person's condition.
- d. Well baby care including routine examinations and related expenses during the child's first year after birth. In addition, the Trust will reimburse for immunizations in accordance with the schedule recommended by the American Academy of Pediatrics.
- e. The charges for a Hospital stay in connection with childbirth for the mother or newborn child of at least 48 hours following normal vaginal delivery or 96 hours following a cesarean section.
- f. The charges for any of the following services and supplies to the extent they do not duplicate charges included under items a, b, c, d and e above:
 - i. drugs and medicines lawfully obtainable only upon the prescription of a Physician or dentist when prescribed for the treatment of an illness;
 - ii. anesthesia, and the administration thereof;
 - iii. x-ray, radium, and radioactive isotope therapy;
 - iv. x-ray and laboratory examinations made for diagnostic purposes;
 - v. fair rental value of a wheel chair, Hospital bed, iron lung and other durable equipment, or other apparatus substantially similar to comparable durable equipment prescribed by a Physician, except that rental charges in excess of the purchase cost thereof shall be excluded from Covered Expenses; durable medical equipment is defined as equipment which (a) can withstand repeated use, (b) is primarily and customarily used to serve a medical purpose, and (c) generally is not useful to a person in the absence of an illness or injury;
 - vi. initial prostheses (e.g. artificial limbs, artificial eyes and breast implant following mastectomy);
 - vii. professional ambulance service when used to transport the Covered Person directly from the place where he/she is injured or becomes ill to the nearest Hospital qualified to give treatment;
 - viii. oxygen and the administration thereof.

- g. **Limited Benefits.** Charges incurred with respect to the following areas of limited benefits shall be considered Covered Expenses only to the extent that they satisfy the conditions applicable thereto.
- i. Charges incurred in connection with cosmetic surgery, unless required for:
1. accidental injuries occurring while covered, and only if performed while still covered and incurred within a period of 90 days subsequent to the date the injury was sustained; or
 2. Reconstructive Surgery. Surgery performed to reshape abnormal structures of the body is covered when it is necessary to improve functional impairment. Examples include congenital defects such as cleft-lip or palate, which impede functional ability.
 3. Reconstructive cosmetic surgery which does not improve a functional impairment is only covered when;
 - a. it is incident to a several stage treatment plan following a trauma for which Medically Necessary reconstructive surgery was necessary to improve functional impairment if the trauma occurred during the Member's enrollment,
 - b. when it is necessary to restore and achieve symmetry for the Covered Person incident to a Medically Necessary mastectomy, or
 - c. where it is necessary to repair a congenital defect, which is disfiguring, requires surgery and treatment would be likely to lead to substantial improvement of the defect.
- ii. Substance Abuse and Mental Health benefits are subject to the following limitation:
- Inpatient Benefit. With respect to services and supplies rendered while the Covered Person is hospitalized as a registered bed patient, covered expenses are limited to the charges made for services and supplies rendered during a period of confinement of at least twenty-four consecutive hours in a Hospital. In order to qualify for reimbursement by the Plan, expenses incurred while hospitalized for the non-emergency treatment of substance abuse and/or mental conditions in either an institution specializing in such care or in a full service Hospital, the Covered Person must first obtain and be granted prior approval by Psy-Care. Psychological testing on an inpatient basis requires specific prior written authorization from Psy-Care.
- iii. Dental and/or oral surgical procedures are covered under the Hospital outpatient and Anesthesia services of the medical benefits of the Plan when determined as Medically Necessary and pre-certified by Blue Shield.
- iv. Foot orthotics including orthopedic or corrective shoes and other supportive appliances for the feet are covered when certified as Medically Necessary by Blue Shield in lieu of surgery.
- v. Eligible expenses for contraceptive devices are limited to physician fees for fitting, insertion and/or removal of a Diaphragm, Intrauterine Device (IUD), Norplant or similar implants including charges for the device itself, supplies, necessary x-rays, ultrasound and laboratory services related to such contraceptive method. Contraceptives which can be obtained over the counter, without a Physician's written prescription (e.g., condoms, foams, jellies, sponges, etc.), or contraceptives which do not require the services of a Physician are not covered. Also, any contraceptives which can be obtained through the prescription drug program (e.g., Depo Provera

serum) must be obtained through that program.

- vi. Diabetic Counseling must be prescribed in writing by the attending Physician, provided by a registered dietician, performed for treatment of a condition of disease origin.
- vii. Failure to pre-certify medically necessary services that require pre-certification may result in a reduction of benefits by up to 50%.

EXTENSION OF MEDICAL BENEFITS DUE TO TOTAL DISABILITY

If any person is totally disabled at the time his/her coverage terminates under the Plan, the Trust will provide these Medical Benefits for covered expenses incurred in connection with the treatment of the illness or injury responsible for such Total Disability until the first of the following occurs:

1. the end of a period equal to the length of the time the person was continuously covered under the Plan immediately prior to his/her termination;
2. last day of the 12th complete month following date of disability;
3. the day the person acquires coverage under any other group plan that provides benefits for Hospital and professional medical expenses;
4. the end of the period of Total Disability.

DENTAL PLAN SCHEDULE OF BENEFITS

EFFECTIVE July 1, 2011

THESE RULES APPLY SOLELY TO PARTICIPANTS WHO ARE ENROLLED THE DENTAL PPO PLAN.

If You Are Enrolled in the DENTAL HMO PLAN, please contact Pacific Union Dental (United Healthcare Dental Company) at (877) 816-3596 for a complete Summary of your Benefits.

The Delta Dental PPO

Delta Dental PPO, the preferred provider organization (PPO) program, provides access to more than 95,000 PPO dentist locations nationwide. PPO dentists agree to accept reduced fees for covered procedures when treating PPO patients. This means your out-of-pocket costs are usually lower when you visit a PPO dentist than when you visit a non-Delta Dental dentist.

When you are covered under the PPO plan, you and your family members:

- Can visit any licensed dentist, including the dental specialist of your choice.
- May change dentists at any time without notifying Delta Dental.
- Can receive dental care anywhere in the world.
- Will never have to pay more than the patient's share¹ at the time of treatment or file claims forms if you visit a Delta Dental dentist. Delta Dental dentists file claim forms for you and accept payment directly from Delta Dental

What to Know Before Your Dental Visit

Find a PPO Dentist

A current listing of dental offices that are part of Delta Dental's networks can be found using the online dentist directory. Visit Delta Dental's website and:

- Click on "Find a Dentist"
- Click on the "National Online Directory" link
- Select "Delta Dental PPO" and your state, then click "Continue"
- Enter the criteria for your search

Each dentist listed in Delta Dental's directory has been credentialed by Delta Dental, which includes license and insurance coverage verification, specialty certification and compliance with the dental profession's health, hygiene and safety standards.

Is your Current Dentist a Delta Dental PPO Dentist?

Delta Dental recommends that you verify your current dentist's participation in the Delta Dental PPO network. Simply asking if a dentist "accepts Delta Dental" does not guarantee he or she is a PPO dentist. Make sure you specifically ask if he or she is a Delta Dental PPO dentist. Delta Dental recommends that you verify your dentist's participation before each dental appointment.

¹ Patient's share is the copayment/coinsurance amount, any amounts over plan maximums and any non-covered services.

When You Cannot Find a PPO Dentist

The Delta Dental Premier® network – Delta Dental's larger network – provides cost savings features and is the next best option when you cannot find a PPO dentist. If you must visit a non-PPO dentist, a Delta Dental Premier dentist will usually save you more money than if you visit a non-Delta Dental dentist. While Premier dentists' contracted fees are often slightly higher than PPO dentists' fees, Premier dentists will not balance bill you above Delta Dental's approved amount; non-Delta Dental dentists may balance bill you up to their full fees. You may find a Premier dentist using Delta Dental's dentist directory.

Recommend your Dentist

Delta Dental recognizes that many people have a long-standing relationship with their dentist and may not want to change dental providers. Delta Dental invites you to recommend your dentist for inclusion in the Delta Dental PPO network. Please visit Delta Dental's website and complete the "Recommend Your Dentist" form. Delta Dental will contact your dentist to provide more details. You can help by telling your dentist how important your PPO benefits are to you and that you would like him or her to consider becoming a Delta Dental PPO dentist.

What to Know During Your Dental Visit

Talk to Your Dentist About Your Health and Treatment Options

When you visit the dentist, be sure to share your dental and medical history and any prior complications. Dentists can identify signs of more serious health conditions and should be made aware of health information that may be critical to your dental care. Your hygienist is a great resource for dental health information to help you guard against tooth decay and gum disease. Ask your dentist to explain the pros and cons of each dental treatment option, including the future costs or consequences of postponing or avoiding treatment.

Predeterminations/Pre-Treatment Estimates

Determine costs ahead of time by asking your dentist to submit the treatment plan to Delta Dental for a predetermination of benefits before any treatment is provided. Delta Dental will verify your specific plan coverage and the cost of treatment and provide an estimate of your copayment/coinsurance and what Delta Dental will pay. Predeterminations are free and provide you with an estimate of the cost of your treatment. You and your dentist should make decisions about your treatment plan based on your dental needs and not necessarily on the reimbursement by your dental plan.

Claim Submission

Delta Dental dentists will submit claims for you. If you visit a non-Delta Dental dentist, you may need to submit your own claim. You can download a form from Delta Dental's website.

Dual Coverage/Coordination of Benefits

If your spouse has coverage with another company and you are covered by both dental plans, the two plans will coordinate benefits to potentially lower your out-of-pocket costs. Ask your dentist to indicate the other plan's information on the claim form submitted to Delta Dental and Delta Dental will take it from there.

Questions About Your Plan?

If you have questions about your PPO plan, visit Delta Dental's website or contact one of the helpful Customer Service representatives. You may also get benefits and eligibility information 24 hours a day, seven days a week from Delta Dental's automated information line. Sign up for the free dental health e-newsletter, *Dental Wire*, for valuable dental health topics and information about maximizing your benefits.

What to Know After Your Dental Visit

Dental Health Questions

After your appointment, contact Customer Service if you have any questions about your benefits. You can also learn more about dental health topics by visiting Delta Dental's website and signing up for the free dental health e-newsletter, *Dental Wire*.

Claim Review

After a claim has been processed, you will receive a Benefit Statement/Notice of Payment from Delta Dental. This form lists the services provided and costs of the dental treatment submitted by your dentist. Review the services and costs listed to ensure that the patient copayment/coinsurance amount charged by your dentist is correct. Contact your dental office if you find any discrepancies. Delta Dental's Customer Service representatives are available to help explain your Notice of Payment.

Questions About Quality of Care

If you are unhappy with the dental care you received from a Delta Dental dentist, we can arrange for you to be examined by one of Delta Dental's consulting dentists in your area. If the dental consultant agrees that the work was faulty, Delta Dental will ensure that the original dentist either corrects the work at no additional cost or grants a refund. You may choose another dentist and have the treatment corrected.

DENTAL PPO PLAN SCHEDULE OF DENTAL BENEFITS

	In-Network	Out-of PPO Network
	PPO	Non-PPO ¹
Reimbursement Basis (Fee Base)	PPO Fee Allowance ²	Plan Allowance ³
Benefits		
Diagnostic/Preventive (X-rays, Exams, Cleanings)	100%	80%
Basic (Restorative, Sealants, Oral Surgery, Periodontic, Endodontic)	80%	65%
Major (Prosthodontic, Crowns)	50%	50%
Orthodontics – Adult & Child(ren)	50%	
Lifetime Ortho Max	\$1,500	
Deductible		
Per Patient/Plan Year	\$0	\$0
Maximum		
Per Patient/Plan Year	\$2,000	\$1,500

¹ Delta Dental Premier and Non-Delta Dental dentists.

² PPO Fee allowance is the PPO contracted fee.

³ Plan allowance is the lesser of the submitted fee, the Delta Dental Premier dentist's contracted fee or the out-of-network non-Delta Dental dentist fee based on internal UCR.

DENTAL BENEFITS FOR THE DENTAL PPO PLAN

THESE RULES APPLY SOLELY TO PARTICIPANTS WHO ARE ENROLLED IN THE PPO PLAN.

If You Are Enrolled on THE DENTAL HMO PLAN, please Contact Pacific Union Dental (United Healthcare Dental Company) at (877) 816-3596 for a complete Summary of your Benefits.

COVERED SERVICES

The Plan's dental benefits cover the following services when a licensed dentist provides them and when necessary and customary as determined by the standards of generally accepted dental practice. The Plan covers only the cost of dentist's services. For those members participating in the DENTAL HMO PLAN, additional limitations and exclusions may apply. In addition, please also refer to "Service Limitations" and "Exclusions."

1. BASIC SERVICES

Diagnostic	Procedures to assist the dentist in determining required dental treatment.
Preventative	Prophylaxis (cleaning), not more often than twice in any 12 month period; fluoride treatment; space maintainers through age 12, once in a 5-year period ; sealants on first molars for children through age 8, and on second molars for children through age 15; permanent non-restored teeth once every 2 years.
Oral Surgery	Extractions and certain other surgical procedures, including pre- and post-operative care.
General Anesthesia	When administered by a dentist for a covered oral surgery procedure.
Restorative	Treatment of tooth decay or fracture by use of silver or plastic restoration. Cast restorations and crowns will be provided only when silver or plastic restorations will not suffice and payable as Major services at 50%.
Endodontic	Treatment of the tooth pulp.
Periodontic	Treatment of gums and bones and supporting teeth.

2. PROSTHODONTIC SERVICES

Procedures for construction or repair of fixed bridges, partial or complete dentures.

3. ORTHODONTIC SERVICES

Procedures for straightening and realigning the teeth.

4. DENTAL ACCIDENT BENEFITS

Covered Basic and Prosthodontic services are those rendered within 180 days following the date of an accident for conditions caused, directly and independently of all other causes, by external, violent and accidental means. Services rendered more than 180 days after the date of the accident or otherwise outside of the Dental Accident Benefit coverage may be provided as Basic or Prosthodontic benefits, subject to all of the conditions, limitations and exclusions applicable thereto. The dental accident benefit shall pay 100% of covered services, not to exceed the fiscal year maximum benefit in the Dental Schedule of Benefits section.

COVERED FEES

The term "Covered Fees" means only expenses incurred for necessary treatment received by the employee and his/her dependent from a dentist, which, in the geographical area where treatment is rendered, is the usual and customary procedure for the condition being treated. However, the amount considered as Covered Fees, will not exceed the fees and prices regularly and customarily charged for the treatment generally furnished for cases of comparable nature and severity in such geographical area.

EXTENSION OF BENEFITS

If within 60 days after employee or dependent ceases to be covered under the Health and Welfare Plan, a covered expense is incurred for services or supplies furnished in connection with a dental procedure which began prior to the date the coverage ceased, benefits will be payable for such expense provided that dental benefits are still payable under the Plan on the date such expense incurred.

SERVICE LIMITATIONS

Dental Benefits are subject to the following limitations:

1. Complete mouth x-rays (at least 14 films) are provided only once in a 3-year period, unless special need is shown. Supplementary bitewing (individual) x-rays are provided twice in a calendar year for children under age 18, and once in a calendar year for adults.
2. Crowns and cast restorations will be replaced only once in any 5-year period.
3. Prosthodontic appliances (including but not limited to fixed bridges and partial or complete dentures) will be replaced only once in any 5-year period unless it is determined that there is such extensive loss of remaining teeth or change in supporting tissue that the existing appliance cannot be made satisfactory.
4. Partial or complete dentures and related procedures are paid at 50% of the customary charge for a standard prosthodontic appliance regardless of special circumstances.
5. Selection of a more expensive plan of treatment than is customarily provided by the Plan will be reimbursed so as to provide payment of the applicable percentage of the lesser fees and the employee will be responsible for the remainder of the dentist's fees: for example, crowns where a silver or plastic restoration could restore the tooth.
6. Implants or the surgical removal of implants are not covered. Delta may make an allowance for the appliance actually placed on the implant(s) [i.e. – crown(s), bridge(s), or partial or full dentures]. Single crowns will be benefited at a prosthetic value with the original procedure submission being changed to a pontic. Bridges, partials or full dentures will be processed with regular procedure codes, as they are already a prosthetic.
7. Fluoride treatment is limited to treatment twice per calendar year.

DENTAL PPO PLAN EXCLUSIONS

THESE RULES APPLY SOLELY TO PARTICIPANTS WHO ARE ENROLLED IN THE PPO PLAN.

If You Are Enrolled on DENTAL HMO PLAN, please Contact Pacific Union Dental (United Healthcare Dental Company) at (877) 816-3596 for a complete Summary of your Benefits.

Dental benefits are subject to the following exclusions:

1. Services for injuries or conditions which are work related; services which are provided to the eligible patient by any Federal or State Government Agency or are provided without cost to the eligible patient by any municipal city, county or other political subdivision except as provided in Section 12532.5 of The California Government Code or Federal legislation or ruling;
2. Services with respect to congenital (hereditary) or developmental (following birth) malformations, or cosmetic surgery or dentistry for purely cosmetic reasons: including but not limited to cleft palate, maxillary and mandibular (upper and lower jaw) malformations, enamel hypoplasia (lack of development), fluorosis (a type of discoloration of the teeth) and anodontia (congenitally missing teeth);
3. Services for restoring tooth structure lost from wear, for rebuilding or maintaining chewing surfaces due to teeth out of alignment or occlusion or for stabilizing the teeth: such services include but are not limited to equilibration and periodontal splinting;
4. Prosthodontic services or any single procedure started prior to the date employee or dependent became eligible for such services under this Plan, including replacement of teeth missing prior to the Plan effective date, subject to the Pre-existing Conditions provisions noted on page 53 including any exclusionary period noted therein.
5. Prescribed drugs, premedication or analgesia;
6. Experimental procedures;
7. All Hospital costs and any additional fees charged by the dentist for Hospital treatment. For Participants who, for medical necessity, require hospitalization; benefits will be paid under the major medical benefits of the Plan.
8. Charges for anesthesia, other than general anesthesia, administered by a licensed dentist in connection with covered oral surgery services. For Participants who, for medical necessity, require general anesthesia; benefits will be paid under the major medical benefits of the Plan.
9. Extra oral grafts (grafting of tissues from outside the mouth to oral tissues);
10. Replacement of lost or stolen prosthodontic appliance unless there is no prior history of a lost or stolen appliance.

THE DENTAL HMO PLAN BENEFITS

THESE RULES APPLY SOLELY TO PARTICIPANTS WHO ARE ENROLLED IN THE DENTAL HMO PLAN.

If You Are Enrolled in the DENTAL HMO PLAN, please Contact Pacific Union Dental (United Healthcare Dental Company) at (877) 816-3596 for a complete Summary of your Benefits.

Under the DENTAL HMO PLAN, dental services are provided through a network of Participating PUD (United Healthcare Dental Company) Dental Offices. When you enroll, you select the Participating Dental Office most convenient for you. You and your dependents will receive dental services only at that office, except in the case of emergency.

PUD (United Healthcare Dental Company) sends your name to the Participating Dental Office you have chosen. For as long as you are enrolled, PUD (United Healthcare Dental Company) will pay the Participating Dental Office. Once you choose this plan, you will not be allowed to change dental plans until the next open enrollment period.

There are No Claim Forms, No Deductibles*, and No Maximums. Some dental services are provided to you on a "Co-Pay," (share the cost) basis. You arrange payment of the co-payment (your portion of the charge), directly with your Participating Dental Office.

* There is a \$25.00 per person lifetime record set up fee.

In addition, the DENTAL HMO PLAN is offering a modest Orthodontic Benefit with a standard 24 month full banded service for a co-payment from you of \$2,250, approximately 60% of Usual and Customary Charges. If you are covered under the DENTAL HMO PLAN and are currently undergoing orthodontic treatment (e.g. banding, etc.) you will not be eligible for the orthodontic benefit if you decide to switch to the DENTAL PPO PLAN.

Due to the payment nature of the DENTAL HMO PLAN, there is no coordination of benefits in the case where both husband and wife are City employees. In an effort to afford you the fullest possible coverage, you may submit a bill showing your co-payments, and the Trust shall reimburse you.

MEDICAL AND DENTAL BENEFIT LIMITATIONS

COORDINATION OF BENEFITS

IN GENERAL

All Medical and Dental benefits are subject to coordination. If you or your dependents are entitled to benefits under any other plan which would pay part or all of the expense incurred for treatment of sickness or injury, the benefits payable under this Plan and any other plans will be coordinated so that the aggregate amount paid will not exceed 100% of the Usual and Customary Charges or contracted amount. In no event will the amount of benefits paid under this Plan exceed the amount, which would have been paid if there were no other plan involved. Please refer the Coordination of Benefit provisions for this Plan.

GENERAL EXCLUSIONS AND LIMITATIONS

Benefits are not payable for:

1. Any services rendered by a person related to the Covered Person by blood, marriage or law or any person who resides in the same house.
2. Any expenses covered under a Workers Compensation Act or similar legislation, or which is due to injury or illness arising out of or in the course of any occupation or employment for wages or profit. Provided, however, that such exclusion shall be inapplicable to injury or illness arising out of or in the course of an occupation or employment for which Workers Compensation or similar insurance would not customarily be procured.
3. Services for care or treatment provided or furnished by any governmental agency of any country, unless the Covered Person is legally required to pay without regard to the existence of coverage. A government agency includes federal, state, or local governmental agencies, whatever they may be called, in any country.
4. Any service for which a charge would not have been made in the absence of coverage.
5. Charges resulting from voluntary self-inflicted injury or illness while sane or insane.
6. Charges for services received as a result of Injury or Sickness occurring directly or indirectly, as a result of the Covered Person's commission of or attempt to commit a Serious Illegal Act, or a riot or public disturbance. For purposes of this exclusion, the term "Serious Illegal Act" shall mean any act or series of acts that if prosecuted as a criminal offense a sentence to a term of imprisonment in excess of one year could be imposed. It is not necessary that criminal charges be filed, or that, if filed, a conviction result, or that a sentence of imprisonment for a term in excess of one year be imposed for this exclusion to apply. Proof beyond a reasonable doubt is not required for this exclusion to apply. This exclusion does not apply if the Injury or Sickness resulted from an act of domestic violence or a medical (including both physical and mental health) condition.
7. Services, supplies, care or treatment to a Covered Person for an Injury or Sickness which occurred as a result of that Covered Person's illegal use of alcohol or controlled substances, including, but not limited to, operation of a motor vehicle. The responding officer's determination of illegal conduct will be sufficient for this exclusion to apply. Expenses will be covered for an Injured Covered Person other than the person illegally using alcohol or a controlled substance and expenses will be covered for Substance Abuse treatment as specified in this Plan. This exclusion does not apply if the Injury or Sickness resulted from an act of domestic violence or a medical (including both physical and mental health) condition.
8. Any charges incurred prior to the effective date of coverage under the Plan or subsequent to the date of termination of coverage under the Plan.

9. Services, supplies, and treatment not prescribed by a legally qualified Physician or Surgeon; services, supplies, or treatment not Medically Necessary for treatment of an injury or illness, including vitamins and dietary supplements.
10. Charges in excess of the usual and customary guidelines utilized by the Plan.
11. Charges that the Covered Person is not legally required to pay, or would not be required to pay in absence of the Plan.
12. Charges for the completion of claim form, prescriptions, missed or broken appointments, finance charges, shipping, handling and postage charges.
13. Procedures that are considered experimental and investigative.
14. Services rendered outside the United States, which would not have been covered if provided in the United States.
15. Charges incurred in connection with cosmetic surgery, unless required for:
 - a. Accidental injuries occurring while covered, and only if performed while still covered; or
 - b. Reconstructive Surgery. Surgery performed to reshape abnormal structures of the body is covered when it is necessary to improve functional impairment. Examples include congenital defects such as cleft-lip or palate, which impede functional ability.
 - c. Reconstructive cosmetic surgery which does not improve a functional impairment is only covered when;
 - i. it is incident to a several stage treatment plan following a trauma for which Medically Necessary reconstructive surgery was necessary to improve functional impairment if the trauma occurred during the Member's enrollment,
 - ii. when it is necessary to restore and achieve symmetry for the Covered Person incident to a Medically Necessary mastectomy, or
 - iii. where it is necessary to repair a congenital defect, which is disfiguring, requires surgery and treatment would be likely to lead to substantial improvement of the defect.
16. Treatment of obesity for any Covered Person who is not morbidly obese.
17. Charges for surgical treatment of obesity except for the Medically Necessary treatment of **morbid obesity for Gastric Restrictive Procedure with Gastric Bypass with Roux-en-Y Gastroenterostomy**. To be eligible for this procedure, the patient must be:
 - a. More than 100 pounds over ideal body weight, or has a body mass index exceeding 40 kg/m, or has a body mass index over 35 kg/m and a clinically serious condition (e.g., obesity hypoventilation, sleep apnea, diabetes, hypertension, cardiomyopathy, or musculoskeletal dysfunction).
 - b. Demonstrated an inability to control weight because patient (all of the following):
 - i. has failed to lose weight significantly or has regained weight despite compliance with a multidisciplinary nonsurgical program including low or very low-calorie diet, supervised exercise, behavior modification, and support;
 - ii. has full growth; and
 - iii. has no correctable cause for obesity (e.g., endocrine disorder);

- iv. is receiving treatment in a surgical program experienced in obesity surgery, characterized by surgeons experienced with Roux-en-Y gastric bypass and a multidisciplinary approach including (all of the following):
 - 1. preoperative medical consultation and approval
 - 2. preoperative psychiatric consultation and approval
 - 3. nutritional counseling
 - 4. exercise counseling
 - 5. psychological counseling
 - 6. support group meetings
- 18. Any other treatment of obesity including but not limited to appetite or weight control drugs, dietary supplements, special foods or food supplements primarily for weight loss or control unless necessitated as the direct result of a specifically identified and diagnosed endogenous (caused with in the body) condition.
- 19. Nutritional counseling, unless prescribed in writing by the attending Physician, provided by a registered dietician, performed for treatment of a condition of disease origin.
- 20. In-vitro fertilization, artificial insemination, infertility treatment or any charges associated with the direct inducement of pregnancy (however, necessary services and supplies to diagnose infertility are covered).
- 21. Reversal of sterilization procedures.
- 22. Professional services, except as specifically provided herein, rendered for behavioral or marriage counseling, or study of behavioral characteristics, or vocational testing or counseling.
- 23. Treatment for learning disabilities or educational problems; behavioral problems; therapy or surgery for sexual dysfunction or inadequacies or psychiatric admissions which are primarily to control or change the patient's environment.
- 24. Treatment for attention deficit/hyperactivity disorder unless authorized by Psy-Care.
- 25. Treatment for chemical dependency or alcoholism other than that described under the substance abuse benefit of the Plan.
- 26. Charges for foot care (except surgery or foot orthotics), to include but not limited to any condition resulting from weak, unstable, or flat feet, fallen arches, pronated foot metatarsalgia, foot strain or bunions; any treatment of corns, calluses, or toenails unless at least part of the nail root is removed, unless for specifically diagnosed diabetic foot care.
- 27. Myofunctional therapy; occupational therapy when prescribed by a physician and pre-certified for non-chronic conditions related to illness or injury, speech therapy, except to restore speech following illness or injury incurred while covered under the Plan.
- 28. Confinement in a Hospital owned or operated by the federal government, except Usual and Customary Charges otherwise payable and incurred at a Veteran's Administrative Facility or by a Covered Person as an armed services retiree for services or supplies unrelated to military service.
- 29. Travel expenses, whether or not recommended by a Physician, except for ambulance service as specifically provided.
- 30. Charges incurred for services or supplies, which constitute personal comfort or convenience and beautification items.
- 31. Charges incurred for hospitalization primarily for x-ray, laboratory, diagnostic study, physio-therapy,

- hydrotherapy, medical observation, convalescent or rest cure or any medical examination or test not connected with an actual illness or injury.
32. Charges incurred for the replacement of an initial prosthesis unless medical necessity is proven in writing.
 33. Charges incurred for injuries sustained as the result of the misuse of a controlled substance.
 34. Organ transplant donor expenses would not be considered a covered expense unless the expense is directly related to a Plan participant who is the recipient of the organ.
 35. Charges for maternity care for a dependent child, including abortions.
 36. Charges for biofeedback, hypnosis, sleep apnea, and services relating to pain management centers unless certified by a Physician as required for the necessary medical treatment of an illness, injury or pregnancy.
 37. Complications arising from a service or treatment which are excluded from coverage.
 38. Treatment of mandible for correction of a bite problem or treatment of jaw joint problems, including temporomandibular joint syndrome and craniomandibular disorders, or other conditions of the joint linking the jaw bone and skull and a complex of muscle, nerve and other tissue related to that joint (however, necessary services and supplies to diagnose these conditions are covered), except when any of the following criteria is met:
 - a. There is radiological evidence of bone deterioration in the jaw or joint.
 - b. There are significant nutritional problems from the inability to masticate food properly, which cannot be managed through variations in diet.
 - c. The associated respiratory problems would endanger life.
 - d. The disability treated was the result of an accident.
 39. Prescriptions obtained outside the USA not approved by the Federal Food and Drug Administration.
 40. Services, supplies or medications associated with sex transformations and resulting complications.
 41. Inpatient treatment for drug or substance abuse is limited to once per lifetime.
 42. Charges for Custodial Care.
 43. Any condition, disability, or expense resulting from or sustained as a result of duty as a member of the Armed Forces of any state or country, or war or act of war whether declared or undeclared.
 44. Pre-existing Conditions. See section entitled Pre-existing conditions on page 53 for information.

ACCIDENTAL DEATH AND DISMEMBERMENT COVERAGE FOR ACTIVE EMPLOYEES AND NON-MEDICARE SUPPLEMENT RETIREES

Upon receipt by the City of Fresno of due proof that the covered employee has suffered any of the losses enumerated below as a result of bodily injuries effected directly and independently of all other causes and that such injuries resulted in such losses within 90 days from the date such injuries were sustained, and that such loss did not result directly or indirectly from a risk hereinafter excepted, the Trust will pay the benefit designated for such loss, subject to the provisions and limitations hereinafter set forth.

AMOUNT OF PRINCIPAL SUM

MAXIMUM PAYABLE \$1,500 (Active Employees and Non-Medicare Supplement Retirees only)

The Principal Sum

Loss of life, loss of both hands, loss of both feet, loss of sight to both eyes, loss of one hand and one foot, loss of one hand and the sight of one eye or loss of one foot and the sight of one eye.

One-Half the Principal Sum

Loss of one hand, loss of one foot or loss of the sight of one eye.

Loss shall mean, with regard to hands and feet, dismemberment by severance through or above the wrist or ankle joints; with regard to the eyes, the entire and irrecoverable loss of sight beyond remedy by surgical or other means.

Risks Excepted

No amount shall be payable if the employee's loss shall directly or indirectly, wholly or partly, result from:

1. suicide or intentionally self-inflicted injury while sane or insane;
2. bacterial infections (except pyrogenic infections occurring simultaneously with and in consequence of bodily injuries as described on this page);
3. bodily or mental infirmity, disease of any kind or as a result of medical or surgical treatment therefore;
4. participation in a riot or the commission of or the attempt to commit an assault or felony by the individual;
5. insurrection;
6. any act of war, whether declared or undeclared.

GENERAL PROVISIONS

ELIGIBILITY

The following persons are eligible for coverage under the Plan:

1. Each covered employee, as defined by the Trust Agreement, shall become eligible for benefits on the first day of the month following one entire calendar month of full-time or other qualifying employment with the City of Fresno. Employees rehired from the reinstatement list shall become effective the first of the month following their reinstatement date. This requirement shall not operate to exclude an employee whose first day of work is delayed solely by a holiday or weekend, which falls at the beginning of a month.
2. Eligible dependents of active and retired employees, including:
 - a. legal spouse;
 - b. domestic partner (same-sex, or opposite-sex partner where at least one of the partners is age 62 or older and qualifies for certain Social Security benefits), as defined under the California Family Code 29, and has filed a Declaration of Domestic Partnership with the California Secretary of State, or by validly forming a legal union in a jurisdiction other than California consistent with the requirements of Family Code Section 299.2.
 - c. Children from birth to the limiting age of 19 years. Children will also be eligible for coverage up to the age of 26 provided they are not eligible for coverage under their own employer or, if married, their spouses employer.
3. Completed enrollment forms, available from the City's Personnel Office, with supporting documentation, must be submitted to the City **within 30 days** of the date of marriage, the date you establish domestic partnership based on the Declaration of Domestic Partnership filed with the California Secretary of State, or the date of birth of a new dependent child, or the date you acquire a dependent child, as described in 2.c. above, or the date

Definitions: For the purpose of the Fresno City Employees Health and Welfare Trust's Eligibility, the following definitions and requirements will apply:

1. The term "dependent" does not include any person who is in full-time military service
2. The term "Spouse" shall mean the person recognized as the covered Employee's husband or wife under the laws of the state where the covered Employee lives.
3. The term "children" shall include natural children of the Employee or domestic partner, adopted children, foster children or children placed with a covered Employee (or domestic partner) in anticipation of adoption. Step-children who reside in the Employee's household may also be included as long as a natural parent remains married to the Employee and also resides in the Employee's household.
 - a. If a covered Employee or domestic partner is the Legal Guardian of an unmarried child or children, these children may be enrolled in this Plan as covered Dependents.
 - b. The phrase "child placed with a covered Employee or domestic partner in anticipation of adoption" refers to a child whom the Employee or domestic partner intends to adopt, whether or not the adoption has become final, who has not attained the age of 18 as of the date of such placement for adoption. The term "placed" means the assumption and retention by such Employee or domestic partner of a legal obligation for total or partial support of the child in anticipation of adoption of the child. The child must be available for adoption and the legal process must have commenced.
 - c. Any child of a Plan Participant who is an alternate recipient under a qualified medical child support order shall be considered as having a right to Dependent coverage under this Plan.
4. A "foster child" shall be defined as a child residing with and dependent upon a covered Participant while awaiting legal adoption by the employee.

5. The term “unmarried disabled dependent” shall be defined as a covered dependent child who, upon reaching the age of 19 (limiting age), was totally disabled, incapable of self-support due to mental retardation and/or physical handicap, primarily dependent upon the covered employee for support and maintenance, and unmarried. Unmarried disabled dependents who meet this definition will be covered under the Plan as follows:
 - a. If the mental retardation and/or physical handicap began **prior** to age 19 (limiting age), eligibility for the unmarried disabled dependent will remain in effect until the earliest of: the date the employee is no longer eligible under the Plan, or the date the dependent is no longer disabled,
 - b. If the mental retardation and/or physical handicap began **after** age 19 (limiting age), and the dependent was covered by the Plan under the full-time student status provisions of the Plan at the time the disability began, coverage will only be extended through the dependent’s 24th birthday (to age 25), or the earliest of: the date the employee is no longer eligible under the Plan, or the date the dependent is no longer disabled.
 - c. Submission of a Physician’s certificate of disability within six (6) months of the dependent’s 19th birthday is required as proof of the disabled dependent’s continuing incapacity and dependency.
 - d. Under no circumstance will the dependent be eligible for benefits if the cause of the mental retardation and/or physical handicap is the result of alcohol or substance abuse.
6. Full-time, permanent employees of a labor organization representing employees who participate in the Trust shall be eligible for coverage under the Trust. Said employees must be covered within thirty (30) days after employment and remain covered so long as their Full-time permanent employment status continues.
7. Retired employees and their dependents may remain covered under the Plan in which they participated prior to retirement until they reach the age of 65 years, at which time the eligible individual must:
 - a. have been covered, either as an employee or as a dependent, under the Fresno City Employees Health and Welfare Trust until his/her sixty-fifth birthday; and
 - b. have celebrated his/her sixty-fifth birthday on or after July 1, 1985; and
 - c. be eligible for and enrolled in Medicare’s Part A and Part B coverage; and
 - d. have signed up for the Medicare Supplement Plan within ninety (90) days of his/her sixty-fifth birthday; and
 - e. pay the monthly contribution per Covered Person, which will be withheld from each City of Fresno Pension check.

If you retired after January 1, 1998 and had dependent coverage under the plan of your actively working spouse, you may defer your election of retiree health coverage until your spouse ceases to be covered as an active employee or you or your spouse experience a COBRA qualifying event. You must elect City Plan coverage within 30 days thereafter.

Additionally, if you retire and your spouse continued to be covered under the City Plan as an active employee after July 10, 1996, you may rescind your previous election and enroll as a dependent Participant. When your spouse ceases to be covered under the City Plan, you will have 30 days to elect retiree coverage.

8. Upon the death of a covered employee (active or retired), and if such employee was covering his/her dependent spouse or children under the Plan, such spouse or children may continue their coverage under the Plan provided that:
 - a. The election to continue is made within 30 days after the death of the employee.
 - b. Payments of the required contributions are submitted to City of Fresno Health and Welfare Trust in advance.
 - c. Coverage will terminate when the dependent spouse remarries. This provision shall be replaced by the continuation of coverage (COBRA) rules established by Federal legislation at the time such rules become applicable to City of Fresno employees.

REQUESTING A CERTIFICATE OF CREDITABLE COVERAGE

As required by the Health Insurance Portability and Accountability Act of 1996 (HIPAA), when you or any of your Dependents lose coverage, the City's Personnel Office will provide you with a Certificate of Creditable Coverage ("coverage certificate") verifying the length of your coverage under the Plan. This certificate may help you obtain coverage under another plan without a pre-existing exclusion. If you elect COBRA continuation coverage, you and your covered Dependents will also receive a "coverage certificate" after COBRA continuation coverage ends.

You and your Dependents may also request a "coverage certificate" while you are covered under the Plan or within 24 months after your coverage under the Plan ends. Requests for "coverage certificates" should be made to the City's Personnel Office. Telephone requests will be accepted only if the coverage certificate is to be mailed to the address on file for the individual for whom it is requested. All requests must include all of the following information:

1. The name of the individual for whom the "coverage certificate" is requested;
2. The last date that the individual was covered under the Plan;
3. The name of the Employee that enrolled the covered individual in the Plan; and
4. A telephone number where the individual requesting the "coverage certificate" may be reached.

INDIVIDUAL TERMINATIONS

Coverage under the Plan(s) shall terminate at the earliest time indicated below:

1. Termination of the Plan(s).
2. At the end of the month during which the employee ceases to be employed by the City of Fresno.
3. At the end of the month during which the employee ceases to be in a class eligible for coverage.
4. At the end of the month a covered dependent ceases to be a dependent as defined herein. It is the responsibility of the participant to immediately notify the plan when a covered dependent ceases to be a dependent.
5. The Employer or Plan has the right to rescind any coverage of the Employee and/or Dependents for cause, making a fraudulent claim or an intentional material misrepresentation in applying for or obtaining coverage, or obtaining benefits under the Plan. The Employer or Plan may either void coverage for the Employee and/or covered Dependents for the period of time coverage was in effect, may terminate coverage as of a date to be determined at the Plan's discretion, or may immediately terminate coverage. The employer reserves the right to collect additional monies if claims are paid in excess of the Employee's and/or Dependent's paid contributions.

INDIVIDUAL EFFECTIVE DATE

Employee and dependent coverage will become effective on the date they are eligible if they have enrolled in the Plan prior to that date provided that:

1. The employee qualifies for eligibility as described above.
2. The dependents who are Hospital confined or disabled when they would have otherwise become covered will become covered on the date the disability ends.
3. A newborn child of a covered Employee is automatically enrolled in this Plan for the first 31 days of life. Charges for covered nursery and routine Physician care will be applied toward the Plan of the parent during this 31 day period. If the newborn child is not enrolled in this Plan within the first 31 days of life coverage will terminate at the end of the 31 day period and there will be no additional payment from the Plan. A newborn child enrolled after the first 31 days will be considered a late enrollee.

CONTINUATION OF BENEFITS

When required by Federal law, continuation coverage for Plan benefits will be available at the Participant's cost under whatever regulations are applicable at the time eligibility for continuation coverage occurs. Please refer to the Continuation of Coverage (COBRA) section on page 54 for more information, and the Uniformed Services Employment and Re-Employment Rights Act (USERRA) below.

UNIFORMED SERVICES EMPLOYMENT AND RE-EMPLOYMENT RIGHTS ACT (USERRA)

Under this federal Act, you may continue coverage for you and your dependents for up to 24 months while you are on military leave. If you make this election, you must submit any self-payment, which may include administrative costs, to the City of Fresno. If you do not continue your coverage during a military leave, it will be reinstated at the same benefit level (if still available) you received before your leave, if you meet the eligibility criteria established under USERRA. For more information, please contact the City's Personnel Office.

SPECIAL ENROLLMENT RIGHTS

Federal law provides Special Enrollment provisions under some circumstances. If an Employee is declining enrollment for himself or his dependents (including their spouse) because of other health insurance or group health plan coverage, there may be a right to enroll in this Plan if there is a loss of eligibility for that other coverage (or if the employer stops contributing towards the other coverage). However, a written request by the employee for enrollment must be made within 31 days after the coverage ends (or after the employer stops contributing towards the other coverage).

In addition, in the case of a birth, marriage, adoption or placement for adoption, there may be a right to enroll in this Plan. However, a written request for enrollment must be made by the employee within 31 days after the birth, marriage, adoption or placement for adoption.

The Special Enrollment rules are described in more detail below. To request Special Enrollment or obtain more detailed information of these portability provisions, contact HealthComp Administrators.

SPECIAL ENROLLMENT PERIODS

The Enrollment Date for anyone who enrolls under a Special Enrollment Period is the first date of coverage. Thus, the time between the date a special enrollee first becomes eligible for enrollment under the Plan and the first day of coverage is not treated as a Waiting Period. This means that any Pre-Existing Condition will be determined on the basis of the look back period prior to the Enrollment Date, and the period of the Pre-Existing Conditions Limitation will start on the Enrollment Date.

- (1) **Individuals losing other coverage creating a Special Enrollment right.** An Employee or Dependent, who is eligible, but not enrolled in this Plan, may enroll if loss of eligibility for coverage meets all of the following conditions:
 - (a) The Employee or Dependent was covered under a group health plan or had health insurance coverage at the time coverage under this Plan was previously offered to the individual.

- (b) If required by the Plan Administrator, the Employee stated in writing at the time that coverage was offered that the other health coverage was the reason for declining enrollment.
- (c) The coverage of the Employee or Dependent who had lost the coverage was under COBRA and the COBRA coverage was exhausted, or was not under COBRA and either the coverage was terminated as a result of loss of eligibility for the coverage or because employer contributions towards the coverage were terminated.

The Employee or Dependent requests enrollment in this Plan not later than 31 days after the date of conditions described above. Coverage will begin no later than the first day of the first calendar month following the date the completed enrollment form is received.

(2) For purposes of these rules, a loss of eligibility occurs if one of the following occurs:

- (a) The Employee or Dependent has a loss of eligibility on the earliest date a claim is denied that would meet or exceed a lifetime limit on all benefits.
- (b) The Employee or Dependent has a loss of eligibility due to the plan no longer offering any benefits to a class of similarly situated individuals (i.e.: part-time employees).
- (c) The Employee or Dependent has a loss of eligibility as a result of legal separation, divorce, cessation of dependent status (such as attaining the maximum age to be eligible as a dependent child under the plan), death, termination of employment, or reduction in the number of hours of employment or contributions towards the coverage were terminated.
- (d) The Employee or Dependent has a loss of eligibility when coverage is offered through an HMO, or other arrangement, in the individual market that does not provide benefits to individuals who no longer reside, live or work in a service area, (whether or not within the choice of the individual).
- (e) The Employee or Dependent has a loss of eligibility when coverage is offered through an HMO, or other arrangement, in the group market that does not provide benefits to individuals who no longer reside, live or work in a service area, (whether or not within the choice of the individual), and no other benefit package is available to the individual.

If the Employee or Dependent lost the other coverage as a result of the individual's failure to pay premiums or required contributions or for cause (such as making a fraudulent claim or an intentional misrepresentation of a material fact in connection with the plan), that individual does not have a Special Enrollment right.

(3) **Dependent beneficiaries.** If:

- (a) The Employee is a participant under this Plan (or has met the Waiting Period applicable to becoming a participant under this Plan and is eligible to be enrolled under this Plan but for a failure to enroll during a previous enrollment period), and
- (b) A person becomes a Dependent of the Employee through marriage, birth, adoption or placement for adoption,

then the Dependent (and if not otherwise enrolled, the Employee) may be enrolled under this Plan. In the case of the birth or adoption of a child, the Spouse of the covered Employee may be enrolled as a Dependent of the covered Employee if the Spouse is otherwise eligible for coverage. If the Employee is not enrolled at the time of the event, the Employee must enroll under this Special Enrollment Period in order for his eligible Dependents to enroll.

The Dependent Special Enrollment Period is a period of 31 days and begins on the date of the marriage, birth, adoption or placement for adoption. To be eligible for this Special Enrollment, the Dependent and/or Employee must request enrollment during this 31-day period.

The coverage of the Dependent and/or Employee enrolled in the Special Enrollment Period will be effective:

- (a) in the case of marriage, as of the date of marriage;
 - (b) in the case of a Dependent's birth, as of the date of birth; or
 - (c) in the case of a Dependent's adoption or placement for adoption, the date of the adoption or placement for adoption.
- (4) **Medicaid and State Child Health Insurance Programs.** An Employee or Dependent who is eligible, but not enrolled in this Plan, may enroll if:
- (a) The Employee or Dependent is covered under a Medicaid plan under Title XIX of the Social Security Act or a State child health plan (CHIP) under Title XXI of such Act, and coverage of the Employee or Dependent is terminated due to loss of eligibility for such coverage, and the Employee or Dependent requests enrollment in this Plan within 60 days after such Medicaid or CHIP coverage is terminated.
 - (b) The Employee or Dependent becomes eligible for assistance with payment of Employee contributions to this Plan through a Medicaid or CHIP plan (including any waiver or demonstration project conducted with respect to such plan), and the Employee or Dependent requests enrollment in this Plan within 60 days after the date the Employee or Dependent is determined to be eligible for such assistance.

If a Dependent becomes eligible to enroll under this provision and the Employee is not then enrolled, the Employee must enroll in order for the Dependent to enroll.

Coverage will become effective as of the first day of the first calendar month following the date the completed enrollment form is received unless an earlier date is established by the Employer or by regulation.

SAVINGS CLAUSE

It is the intent of this Plan and the Plan Administrator to comply with all applicable Federal and State laws and regulations. In the event of non-compliance with any such law or regulation, the Plan Document will be deemed amended to comply with said law or regulation as of its effective date, and the remainder of the Plan Document will remain in full force and effect. Similarly, in the event a law or regulation applicable to this Plan becomes effective after the initial effective date of this Plan Document, said law or regulation will be deemed included in this Plan Document as of its effective date and without the necessity of an amendment to this Plan Document.

PRE-EXISTING CONDITIONS

A Pre-Existing Condition exclusion will only apply to a condition "for which medical advice, diagnosis, care, or treatment was recommended or received" by an employee or eligible dependent (age 18 and older), within six months before the enrollment date. The following conditions apply to the Plan's Pre-Existing Condition exclusion:

1. "Enrollment date" is the date on which an individual is hired for full-time or other qualifying employment with the City of Fresno.
2. Only treatment directly related to the Pre-Existing Condition can be excluded. Example: an individual with diabetes and resulting foot trouble and impaired vision falls and breaks a leg. Treatment for the broken leg cannot be excluded under this Pre-Existing Condition clause, but aggravation due to diabetes can be.
3. The pre-existing exclusion can last no more than 12 months from the date on which an individual is hired for full-time or other qualifying employment with the City of Fresno.
4. The maximum exclusionary period is 18 months for a "late enrollee" - (e.g. an individual who did not enroll at the earliest opportunity). A late enrollee's "enrollment date" is the date the individual shall become eligible for benefits on the first day of the month following one entire calendar month of full-time or other qualifying employment with the City of Fresno.

The Pre-Existing Condition exclusionary period is reduced by the individual's "creditable coverage" up to 12 months. Creditable coverage is the total number of days on which the individual had health coverage from all sources. The individual must demonstrate creditable coverage by providing a certificate from the previous plan, or, if a certificate is not available, by presenting evidence to corroborate his/her statement that he/she had other coverage and cooperating with the Trust's efforts to verify it.

For individuals already covered by the Trust, the foregoing rules will apply to a spouse and/or children subsequently acquired through marriage and their "enrollment date" would be the date of marriage.

NOTE: If an individual has gone 63 days or more without any health coverage, the Pre-Existing Condition exclusionary period is not reduced and the individual is subject to the previously stated Pre-Existing Condition exclusions.

Under certain conditions, an individual and dependents may be allowed a "special enrollment" period of at least 30 days under the Plan's Pre-Existing Condition provision stated above if:

1. The individual or dependents had originally declined coverage because they:
 - a. Had other coverage, which they later lost because of separation/divorce, termination of employment or reduction in hours, death or the cessation of employer contributions for their coverage (unless it was for cause or failure to pay contributions on time), or
 - b. Were on COBRA, but their COBRA eligibility has expired.
2. If an individual who did not initially enroll later marries or has or adopts a child, the individual is entitled to a special enrollment along with the child.

NOTE: The Trust may require an individual who initially refuses coverage to state the reason, in writing, at that time, to confirm the person's entitlement to special enrollment at a later date.

No pre-existing exclusion will apply to:

1. Pregnancy;
2. Newborn children, if they were enrolled for any creditable coverage within 30 days starting with the date of birth,
3. Children under age 19, or
4. Reinstated employees whose reinstatement date is not more than 18 months from the date they were laid off..

CONTINUATION OF COVERAGE

When required by Federal law, continuation coverage for Plan benefits will be available at the Participant's cost under whatever regulations are applicable at the time eligibility for continuation coverage occurs. Please refer to the **Uniformed Services Employment and Re-Employment Rights Act (USERRA)** and the **Continuation of Coverage (COBRA)** sections for more information.

Continuation of Benefits coverage requires employee payment of the Trust contribution in order to continue benefits. In addition, the Medical plan provides for an Extension of Medical benefits Due to Total Disability at no cost to you, as described on page 35 for the treatment of an illness or injury relating to the Total Disability only, as defined therein. **In no event will the combined continuation of benefits described under the Extension of Medical Benefits Due to Total Disability and COBRA Continuation Coverage, if elected, exceed the total number of months permitted under COBRA.**

CONTINUATION OF COVERAGE (COBRA)

A Federal Law known as COBRA provides for continuation of health, dental and vision coverage for a period of time after the occurrence of a Qualifying Event at 102% of the cost paid by or on behalf of a covered individual similarly situated. **The electing party (employee, spouse or dependent Qualified Beneficiary) may choose full benefits or medical benefits only.** A description of sample Qualifying Events, Qualified Beneficiaries, and Length of Continuation Coverage follows:

Qualifying Events	Who is Eligible (Qualified Beneficiaries)	Length of Continuation Coverage
Employee Termination (except for gross misconduct) and Employee Reduction of Hours	Employees and Dependents	18 months
Employee Death	Spouse and Dependents	36 months
Employee Eligibility for Medicare	Spouse and Dependents	36 months
Divorce or Legal Separation*	Former Spouse and Dependents	36 months
Child Ceases to Qualify as a Dependent*	Child	36 months
* Employee or spouse MUST notify the City's Personnel Office within 60-days after the date of the occurrence of these events.		

To be a Qualifying Event, the occurrence of any one of the above events must cause a loss of coverage under the Plan. A Qualified Beneficiary has 60 days after receipt of notice of COBRA Rights to elect coverage and 45 days thereafter to make initial payments to the City's Personnel Office. Thereafter, payments are due the first day of each coverage month and will be considered timely if made within 30 days after the date due.

The Qualified Beneficiary may choose full benefits or medical benefits only. Any election of Continuation Coverage by a Qualified Beneficiary will be deemed to include an election of Continuation Coverage on behalf of any other Qualified Beneficiary who would lose coverage under the Plan by reason of the Qualifying Event. Each Qualified Beneficiary is entitled to make a separate election.

Failure to make payments in full and on time results in the loss of your right to coverage for whatever remains of the eighteen (18), twenty-nine (29), or thirty-six (36) month total. **Continuation Coverage, once terminated, cannot be reinstated.**

Extension of COBRA Continuation Coverage

If the loss of coverage was due to Employee Termination (termination of employment) or Reduction of Hours, and a second Qualifying Event occurs during the 18-month Continuation Coverage period, your eligible dependents who elected Continuation Coverage may be able to extend their coverage an additional 18 months (up to 36 months) from the date of Employee Termination or Reduction of Hours. Your dependents must give notice to the City's Personnel Office within 60 days after the date of the second Qualifying Event and within the initial 18-month period in order to be able to extend Continuation Coverage under this provision.

If your loss of coverage was due to Employee Termination or a Reduction of Hours, and you are determined to be disabled within 60 days after the Qualifying Event, **and** you receive a Social Security Disability Award prior to the end of your 18-month period, you may be eligible for coverage until 29 months from the Qualifying Event at a higher premium (150% of normal cost) for months 19 to 29. The Qualified Beneficiary is responsible for notifying the City's Personnel Office of such disability determination within 60 days after the date of the determination and **before** the end of the initial 18-month period. The Qualified Beneficiary is also responsible for notifying the Personnel Office within 30 days after the date of any final determination by Social Security that the Qualified Beneficiary is no longer disabled.

Termination of COBRA Continuation Coverage

COBRA Continuation Coverage will terminate the earliest of:

1. when the 18-month, 29-month, or 36-month limit is reached;
2. the City ceases to provide health benefits;
3. you fail to pay monthly premiums when due;
4. the date you or your dependent becomes covered under another group health plan without Pre-Existing Condition limitations which affect you or your dependents;
5. the date you or your dependent becomes covered under Medicare;
6. in the case of a Qualified Beneficiary who is disabled at any time during the first 60 days of Continuation Coverage, the month that begins more than 30-days after the date of final determination by Social Security that the Qualified Beneficiary is no longer disabled.

CLAIMS PROCEDURES

HOW TO FILE A "CLAIM"

This Plan does not require any claim forms from Participants or dependents as long as:

1. Itemized claims are submitted by the provider directly to the Claims Administrator.
2. The Trust Office must have current (less than 1 year old) "Other Insurance Information" on file.
3. Payment is assigned to the provider of service.

Providers must submit itemized statements showing:

1. Participant's Name
2. Participant's Social Security Number
3. Patient's Name
4. Dates of Services
5. List of Services and charges provided by CPT code
6. Provider's name, address and Tax ID Number

NOTICE OF CLAIM

Written notice of claim must be given to the Claims Administrator within 60 days after the occurrence of any loss covered by the Plan, or as soon thereafter as is reasonably possible. Any claim not submitted within 15 months of the date of loss is ineligible for payment unless approved by the Board of Trustees, which approval must be based on proof of special circumstances which prohibited timely filing of the claim.

HOW TO APPEAL A DENIED CLAIM

A Covered Person may appeal the rejection or payment of any claim, or portion thereof, by filing a request for appeal to the Board of Trustees within one hundred eighty (180) days of the receipt of the Explanation of Benefits (EOB) or written notice that the claim has been rejected. **The appeal must be in writing and submitted to the Claims Administrator.** The Board of Trustees shall have full discretionary authority to interpret Plan language and to decide all claims or disputes regarding right, type, amount or duration of benefits, or claim to any payment from the Trust, and the Board's decision shall be final and binding on all parties.

EXPLANATION OF BENEFITS (EOB) FORM

You will receive an Explanation of Benefits (EOB) form from the Trust after you have gone to a Doctor or medical facility for treatment. The EOB explains how your bill was processed and should be saved for tax purposes and other future reference.

PAYMENT OF CLAIMS

The benefits will be paid to the provider furnishing the service upon any assignment furnished by the employee.

Physical Examination

The Trust at its own expense shall have the right to require an examination of any individual whose injury or sickness is the basis of a claim when and as often as it may reasonable required during the pendency of a claim hereunder.

Legal Action

No action at law or in equity shall be brought to recover under this Plan prior to the expiration of 60 days after written proof of loss has been furnished in accordance with the requirements of the Plan. No such action shall be brought after the expiration of three years after the time written proof of loss is required to be furnished.

The Plan is not in lieu of and does not affect any requirement for coverage by Workers' Compensation Insurance.

Right of Recovery

Whenever payments have been made by the Trust in a total amount, at any time, in excess of the maximum amount of payment necessary at that time to satisfy the intent of these provisions, the Trust shall have the right to recover such payments, to the extent of such excess, from any person, corporation or other entity, to or for or with respect to whom such payments were made.

Recovery of overpayments, whether made directly to a Participant or on the Participant's behalf, may be deducted directly from future benefit payments if, after notice of the overpayment and an opportunity to be heard by the Board of Trustees, the Participant does not make other arrangements for payment acceptable to the Board of Trustees.

Reservation of Rights

The benefits payable under this Plan are not pre-funded. Claims are paid out of current revenues. There is no liability on the part of the Board of Trustees or any other individual or entity for provision of benefits in an amount over and beyond the amount collected by the Trust for this Plan. The ability of the Plan to continue coverage is reviewed by the Trustees at least annually, and the Trustees reserve the right to modify or terminate coverage, or to require or increase premiums for benefits now provided at no cost or a reduced cost.

RIGHT TO RECEIVE AND RELEASE NECESSARY INFORMATION

For the purposes of enforcing or determining the applicability of the terms of this provision of this Plan or any similar provision of the other plan, the Board of Trustees may with the consent of the person, release to, or obtain from an insurance company, organization or person any information with respect to the person which the Board of Trustees deems to be necessary for such purposes, in accordance with the provisions of Protected Health Insurance (PHI) under federally-mandated HIPAA regulations.

Health Insurance Portability and Accountability Act of 1996 (HIPAA)

In accordance with the Pre-existing Limitations language on page 53, coverage will be made available under the Plan in compliance with the Health Insurance Portability and Accountability Act of 1996, including its limitations on pre-existing condition exclusions and its non-discrimination requirements. In accordance with HIPAA, the Plan will comply with the following:

1. The Plan will use and disclose Protected Health Information (PHI) to the extent permitted by law and in accordance with HIPAA. Specifically, the Plan will use and disclose PHI for purposes related to health care treatment payment for health care, and health care operations.
2. Subject to written certification if required, the Plan may disclose PHI to the Board of Trustees, provided the Trustees do not use or disclose such PHI except:

- a. To perform administrative functions which the Trustees perform for the Plan;
 - b. To obtain premium bids from insurance companies, HMOs, or other health plans for providing group insurance coverage under the Plan;
 - c. To modify, amend, or terminate the Plan; or
 - d. As permitted by the Plan, or as required by law.
3. In no event shall the Trustees be permitted to use or disclose PHI in a manner that is inconsistent with the applicable disclosure requirements. The Plan shall not disclose PHI to the Trustees unless the Trustees agree to:
- a. Not use or further disclose the PHI other than as permitted by the Plan, or as required by law.
 - b. Ensure that any agent (including subcontractor) who receives PHI from the Plan, agrees in advance to the same restrictions and conditions that apply to the Trustees with respect to the PHI.
 - c. Not use or disclose the PHI for employment-related actions and decisions or in connection with any other benefit or employee benefit plan of the Trustees.
 - d. Report to the Fund any use or disclosure of the information that is inconsistent with the uses or disclosures permitted herein.
 - e. Make available to a Participant, his or her PHI, and any amendments to his or her PHI, in accordance with applicable law.
 - f. Make available to a Participant who requests an accounting of disclosures of his or her PHI, the information required to provide an accounting of disclosures in accordance with applicable law.
 - g. Make its internal practices, books, and records relating to the use and disclosure of PHI received from the Plan available to the Secretary of Health and Human Services for purposes of determining compliance by the Plan with applicable law.
 - h. If feasible, return or destroy all PHI received from the Plan that the Trustees maintain in any form and retain no copies of such information when no longer needed for the purpose for which the disclosure was made, except that, if such return or destruction is not feasible, limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible.
 - i. Ensure that the adequate separation required by applicable law between the Plan and the Trustees exist.

FACILITY OF PAYMENT

Whenever payments which should have been made under this Plan in accordance with this provision have been made under any other plans, the Board of Trustees shall have the right, exercisable alone and in its sole discretion, to pay over to any organization making such other payments any amounts it shall determine to be warranted in order to satisfy the intent of this provision, and amounts so paid shall be deemed to be benefits paid under this Plan and to the extent of such payments, the plan shall be fully discharged from liability under this Plan.

THIRD PARTY RECOVERY PROVISION (Right of Subrogation and Refund)

When this provision applies. The Covered Person may incur medical or dental charges due to Injuries which may be caused by the act or omission of a Third Party or a Third Party may be responsible for payment. In such circumstances, the Covered Person may have a claim against that Third Party, or any insurer, for payment of the medical or dental charges. Accepting benefits under this Plan for those incurred medical or dental expenses automatically assigns to the Plan any rights the Covered Person may have to Recover payments from any Third Party or insurer. This Subrogation right allows the Plan to pursue any claim which the Covered Person has against any Third Party, or insurer, whether or not the Covered Person chooses to pursue that claim. The Plan may make a claim directly against the Third Party or insurer, but in any event, the Plan has a lien on any amount Recovered by the Covered Person whether or not designated as payment for such medical or dental expenses. This lien shall remain in effect until the Plan is repaid in full.

The payment for benefits received by a Covered Person under the Plan shall be made in accordance with the assignment of rights by or on behalf of the Covered Person as required by Medicaid.

In any case in which the Plan has a legal liability to make payments for benefits received by a Covered Person, to the extent that payment has been made through Medicaid, the payment for benefits under the Plan shall be made in accordance with any state law that has provided that the state has acquired the rights of the Covered Person to the payments of those benefits.

The Covered Person:

1. automatically assigns to the Plan his or her rights against any Third Party or insurer when this provision applies.
2. must repay to the Plan the benefits paid on his or her behalf out of the Recovery made from the Third Party or insurer.

Amount Subject to Subrogation or Refund. The Covered Person agrees to recognize the Plan's right to Subrogation and Refund. These rights provide the Plan with 100%, first dollar priority over any and all Recoveries and funds paid by a Third Party or insurer to a Covered Person relative to the Injury or Sickness, including a priority over any claim for non-medical or dental charges, attorney fees, or other costs and expenses even if the Covered Person's Recovery is less than the amount claimed and, as a result, the Covered Person is not made whole. The Covered Person further specifically agrees and acknowledges that the "made whole doctrine" and "common fund" doctrine are completely abrogated under this Plan, and will not affect the Administrator's right to 100% Subrogation and Refund for any and all benefits paid. Accepting benefits under this Plan for those incurred medical or dental expenses automatically assigns to the Plan any and all rights the Covered Person may have to recover payments from any responsible third party or insurer. Further, accepting benefits under this Plan for those incurred medical or dental expenses automatically assigns to the Plan the Covered Person's Third Party Claims and/or the Covered Person's claims under any other policy of insurance including, but not limited to, underinsured or uninsured motorist coverage regardless of whether Covered Person initiates the filing of any such claims.

Notwithstanding its priority to funds, the Plan's Subrogation and Refund rights, as well as the rights assigned to it, are limited to the extent to which the Plan has made, or will make, payments for medical or dental charges as well as any costs and fees associated with the enforcement of its rights under the Plan. The Plan reserves the right to be reimbursed for its court costs and attorney's fees if the Plan needs to file suit in order to Recover payment for medical or dental expenses from the Covered Person.

When a right of Recovery exists, the Covered Person will execute and deliver all required instruments and papers as well as doing whatever else is needed to secure the Plan's right of Subrogation as a condition to having the Plan make payments. In addition, the Covered Person will do nothing to prejudice the right of the Plan to Subrogate.

Conditions Precedent to Coverage. The Plan shall have no obligation whatsoever to pay medical or dental benefits to a Covered Person if a Covered Person refuses to cooperate with the Plan's reimbursement and Subrogation rights or refuses to execute and deliver such papers as the Plan may require in furtherance of its

reimbursement and Subrogation rights. Further, in the event the Covered Person is a minor, the Plan shall have no obligation to pay any medical or dental benefits incurred on account of Injury or Sickness caused by a responsible Third Party under after the Covered Person or his authorized legal representative obtains valid court recognition and approved of the Plan's 100% first dollar reimbursement and Subrogation rights on all Recoveries, as well as approval for the execution of any papers necessary for the enforcement thereof, as described herein.

Defined Terms:

"Covered Person" means anyone covered under the Plan, including minor dependents.

"Recover", "Recovered", "Recovery", or "Recoveries" means all monies paid to the Covered Person by way of judgment, settlement, or otherwise to compensate for all losses caused by the Injury or Sickness, whether or not said losses reflect medical or dental charges covered by the Plan. "Recoveries" further includes, but is not limited to, recoveries for medical or dental expenses, attorney's fees, costs and expenses, pain and suffering, loss of consortium, wrongful death, lost wages and any other recover of any form of damages or compensation whatsoever.

"Refund" means repayment to the Plan for medical or dental benefits that it has paid toward care and treatment of the Injury or Sickness.

"Subrogation" means the Plan's right to pursue and place a lien upon the Covered Person's claims for medical or dental charges against the other person.

"Third Party" means any Third Party including another person or a business entity.

Recovery from another plan under which the Covered Person is covered. This right of Refund also applies when a Covered Person Recovers under an uninsured or underinsured motorist plan (which will be treated as Third Party coverage when reimbursement or Subrogation is in order), homeowner's plan, renter's plan, medical malpractice plan, or any liability plan.

Rights of Plan Administrator. The Plan Administrator has a right to request reports on and approve of all settlements.

COORDINATION OF BENEFITS

If another plan covering a Covered Person contains a similar Coordination of Benefits provision which coordinates its benefits with this Plan the following rules establishing the order of payments will apply:

1. The plan that covers the person as other than a dependent, (e.g., as an employee, member, subscriber, retiree) is primary and the plan that covers the person as a dependent is secondary.
2. If the claimant is a dependent child whose parents are not divorced or separated then:
 - a. The plan of the parent whose birthday anniversary is earlier in the calendar year will pay first, except:
 - i. If both parents' birthdays are on the same day rule 4 below will apply.
 - ii. If another plan does not include this COB rule based on the parents' birthday, but instead has a rule based on the gender of the parent, then that plan's COB rule will determine the order of benefits.

3. If the claimant is a dependent child whose parents are divorced or separated, or have never married then the following rules apply:
 - a. A plan, which covers a child as a dependent of a parent who by court decree must provide health coverage, will pay first.
 - b. When there is no court decree, which requires a parent to provide health coverage to a dependent child, the following rules will apply:
 - i. When the parent who has custody of the child has not remarried, that parent's plan will pay first.
 - ii. When the parent who has custody of the child has remarried, then benefits will be determined by that parent's plan first, by the stepparent's plan second, and by the plan of the parent without custody third.
4. If none of the above rules establish an order of benefit determination, the benefits of a plan which has covered the person on whose expenses claim is based for the longer period of time shall be determined before the benefits of a plan which has covered such person the shorter period of time, provided that the Covered Person is actively employed by the City of Fresno. The above shall be inapplicable if the Covered Person is a retired City of Fresno employee, in which case the Fresno City Employees Plan shall be secondary to the plan provided by the person's current employer.
5. In all instances when this plan has secondary plan status as determined by this plan's order of priority, the Participant or dependent may not fail to follow all primary plan requirements or refuse primary plan coverage and be eligible for benefits under this plan. When benefits are reduced under a primary plan because a claimant does not comply with plan provisions, the amount of such reduction will not be allowable. In the case of HMO (Health Maintenance Organization) or other in-network only plans, this plan will not consider any charges in excess of what an HMO or network provider has agreed to accept as payment in full. Also, when an HMO or network plan is primary and the Covered Person does not use an HMO or network provider, this Plan will not consider as an Allowable Charge any charge that would have been covered by the HMO or network plan had the Covered Person used the services of an HMO or network provider.
6.
 - a. The benefits of a benefit plan which covers a person as an Employee who is neither laid off nor retired are determined before those of a benefit plan which covers that person as a laid-off or Retired Employee.
 - b. The benefits of a benefit plan which covers a person as a Dependent of an Employee who is neither laid off nor retired are determined before those of a benefit plan which covers a person as a Dependent of a laid-off or Retired Employee.
 - c. If the other benefit plan does not have 6 a) or 6 b) above, and if, as a result, the plans do not agree on the order of benefits, 6 a) and 6 b) will not apply.
 - d. The benefits of a benefit plan which covers a person as an Employee who is neither laid off nor retired or a Dependent of an Employee who is neither laid off nor retired are determined before those of a plan which covers the person as a COBRA beneficiary.
7. If the person is a Medicare beneficiary and, as a result of federal law, Medicare is:
 - Secondary to the plan covering the person as a dependent; and
 - Primary to the Plan covering the person as other than a dependent (e.g., a retired employee)
 - Then the order of benefits between the two plans is reversed so that the plan covering the person as an employee, member, policy holder, subscriber or retiree is the secondary plan and the other plan is the primary plan.

GENERAL PLAN INFORMATION

PLAN NAME AND AFFILIATION

Fresno City Employees Health and Welfare Trust
c/o HealthComp Administrators
P.O. Box 45018
Fresno, California 93718-5018

or

621 Santa Fe Street
Fresno, California 93721
(559) 499-2450
(800) 442-7247

PLAN ADMINISTRATION

The Plan is administered by a Board of Trustees consisting of ten (10) Trustees representing Employees and three (3) representing the Employer, whose names are as follows:

EMPLOYER TRUSTEES:*

Terry Bond
City of Fresno

Bob Koury
City of Fresno

Bruce Rudd
City of Fresno

Shane Archer, Chairperson
FFA
(Fresno Firefighters Local 753)

Mike Alforque
FFA
(Fresno Firefighters Local 753)

Kevin Cole
IBEW Trades and Crafts
(International Brotherhood of
Electrical Workers Local 100)

Sheila Chandler
FPOA
(Fresno Police Officers Assn.)

Douglas Landy
ATU
(Amalgamated Transit Union)

EMPLOYEE TRUSTEES:*

Marina Magdaleno
International Union of Operating
Engineers, Stationery Local 39

Robert Mesel
CFPEA
(City of Fresno Professional
Employees Association)

Vacant
FAPSS
(Fresno Airport Public Safety
Supervisors)

Pat Tierce
CFMEA
(City of Fresno Management
Employees Association)

Terran Nyberg
FCEA
(Fresno City Employees Assn.)

* For Trustee Addresses Call HealthComp Administrators at (800) 442-7247 or (559) 499-2450.

GRANDFATHERED PLAN

This group health plan believes this Plan is a "grandfathered health plan" under the Patient Protection and Affordable Care Act (the Affordable Care Act). As permitted by the Affordable Care Act, a grandfathered health plan can preserve certain basic health coverage that was already in effect when that law was enacted. Being a grandfathered health plan means that your Plan may not include certain consumer protections of the Affordable Care Act that apply to other plans, for example, the requirement for the provision of preventive health services without any cost sharing. However, grandfathered health plans must comply with certain other consumer protections in the Affordable Care Act, for example, the elimination of lifetime limits on benefits.

Questions regarding which protections apply and which protections do not apply to a grandfathered health plan and what might cause a plan to change from grandfathered health plan status can be directed to HealthComp Administrators at 621 Santa Fe, Fresno, CA 93721 or at (559) 499-2450. You may also contact the Employee Benefits Security Administration, U.S. Department of Labor at 1(866) 444-3272 or www.dol.gov/ebsa/healthreform. This website has a table summarizing which protections do and do not apply to grandfathered health plans.

CLAIMS ADMINISTRATOR

HealthComp Administrators Incorporated
P.O. Box 45018
Fresno, CA 93718-5018
or

621 Santa Fe Street
Fresno, CA 93721
(559) 499-2450
(800) 442-7247

FEDERAL TAX IDENTIFICATION NUMBER

94-6362989

PLAN YEAR

July 1 – June 30

PLAN CONSULTANT

Rael & Letson Actuaries and Consultants

PLAN COUNSEL

Moss, Tucker, Chiu, Hebesha & Ward PC

HOSPITAL AND PHYSICIAN NETWORK

Blue Shield of California

CHIROPRACTIC NETWORK

ChiroMetrics

PRESCRIPTION DRUG PROVIDER

informedRx

MENTAL HEALTH/SUBSTANCE ABUSE PROVIDER

Psy-Care

DENTAL PROVIDER

Pacific Union Dental (United Healthcare Dental Company)

DENTAL NETWORK

Delta Dental of California

EXAMPLES OF BENEFIT PAYMENTS

In order for the Plan to pay FULL benefits outlined in this July 1, 2011 edition of the Plan Booklet, a monthly contribution of \$985 per Active Employee must be received by the Trust Fund commencing July 1, 2011. The FULL monthly contribution required for each Active Employee is comprised of the City of Fresno's 80% contribution and an Active Employee's payroll deduction contribution of 20%.

Employees who do not complete and return a Payroll Deduction Authorization Form indicating an election to make the \$197 per month Employee Contribution will not receive FULL Plan Benefits. For example:

If the Trust Fund receives **only** the City's monthly contribution of \$788 and does NOT receive the Active Employee payroll deduction contribution of \$197, **a 25 % reduction in benefits will be applied to Plan benefits.**

IMPORTANT NOTE: ALL BENEFIT REDUCTIONS ARE APPLIED AFTER NORMAL BENEFIT CALCULATIONS ARE MADE. THE FOLLOWING EXAMPLES DEMONSTRATE OUT-OF-POCKET COSTS THAT CAN BE INCURRED BY EMPLOYEES IF THE FULL MONTHLY CONTRIBUTION OF \$985 IS NOT RECEIVED. THESE REDUCTIONS CAN RESULT IN SUBSTANTIAL PATIENT LIABILITY FOR HEALTH CARE SERVICES.

Generally, this means that after satisfying the Plan Deductible, benefits would be paid as follows: (Note: additional reductions to normal benefits can apply for non-compliance of a PPO Hospital and Physician, Pre-certification, etc.

<u>Full Benefits</u>	<u>25% Reduction</u>
<u>Plan / Employee Pays</u>	<u>Plan / Employee Pays</u>
100% / 0% = 100%	75% / 25%
90% / 10%	68% / 32%
80% / 20%	60% / 40%
70% / 30%	53% / 47%
60% / 40%	45% / 55%
50% / 50%	38% / 62%

Percentage reductions are applicable to benefit payments under the Prescription Drug Program as well.

BENEFIT EXAMPLES:

Please note that if an employee does not elect to make the necessary Monthly Employee contribution, this may result in a substantial patient liability for medical and walk-in prescription drug services. In the following example, Employee A is paying his monthly employee contribution. Employee B elected to not make the payroll deduction. The following chart shows how their benefits would be calculated for a \$15,000 hospital bill, assuming the \$200 deductible had not previously been satisfied.

	<u>Employee A*</u>	<u>Employee B**</u>
City Contribution Rate	\$788.00	\$788.00
Employee Contribution	<u>\$197.00</u>	<u>\$ 0.00</u>
Total Monthly Contribution	\$985.00	\$788.00
 In-Network Hospital Charge	 \$15,000	 \$15,000
Fund Pays	\$12,800	\$ 9,600
Employee Pays	\$2,200	\$ 5,400

* After the first \$200 was applied to the deductible, Employee A's benefits were calculated at 80% of the next \$10,000 in charges. After \$10,200 in charges, in-network benefits are paid at 100%.

Employee B's benefits were calculated the same way as Employee A, and then reduced by 25%. Therefore, after the first \$200 was applied to the deductible, the benefits were paid at 60% of the next \$10,000 in charges. After \$10,200 in charges, in-network benefits are paid at 75%. **At no point will charges be covered in full.

VOLUNTARY EMPLOYEE CLAIM SELF-AUDIT PROGRAM

EFFECTIVE July 1, 2011

Participation

This is a voluntary program available to Active and Retired Employees who are not eligible for Medicare. Employees are encouraged to review bills for expenses incurred by you and/or your eligible dependent children covered under the Plan.

If you wish to participate, follow these simple steps:

1. **Review itemized bills** from eligible providers for services and charges that are covered by the Plan, as shown on the Explanation of Benefits - EOB - form you receive.
2. **If you discover an overcharge on the EOB** (after comparing it with the bill you received from the provider), or

If you discover charge(s) for services that were not received (for example, if your Hospital stay was for 2 days and the EOB shows the Plan paid for 3 or more days),

ASK THE PROVIDER OF SERVICE TO CORRECT THE ERROR AND GIVE YOU A CORRECT BILL.

3. **Submit the Plan's EOB AND the corrected bill to the Plan.**
4. **The Plan will** verify original bill submitted by the provider and the corrected bill. If there was an overcharge or charges for services that were not received, the Plan will share in the overall savings as follows:

50% of savings to the Employee, to a maximum calendar year payment of \$500.
50% of savings to the Plan.

Examples of shared savings:

Example #1: Hospital bill reflects 2 days at \$1,000/day per diem paid (total of \$2,000) under Blue Shield PPO Contract when Employee only stayed in the hospital 1 day.

Employee submits revised (corrected) billing from Hospital showing 1 day at \$1,000 with Plan EOB shown \$2,000. After Plan verification, a check is issued to the Employee reflecting 50% of Plan savings which, in this case, is: 50% x \$1,000 savings, or \$500.

In this example, the Employee receives 50%, or \$500, and the Plan saved \$500.

Example #2: Laboratory bill reflects that blood testing was performed on one date and a Plan payment of \$286 was paid, and additional testing was performed two days later and the Plan paid \$340, for total eligible charges of \$646. Employee only had one testing totaling \$286.

Employee submits revised (corrected) billing from Laboratory showing \$340 charges removed. After Plan verification, a check is issued to the Employee reflecting 50% of Plan savings, which in this case is: 50% x \$340, or \$170.

In this example, the Employee receives 50%, or \$170, and the Plan saved \$170.